

NEVADA IRRIGATION DISTRICT
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

January 28, 2015

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 28th day of January 2015 at 9:00 a.m.

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

Staff members present included Mary Morris, Finance Manager; Chip Close, Operations Manager; Gary King, Engineering Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

PUBLIC COMMENT – Mora

Lily Marie-Mora, District customer, expressed concern about the lack of rain. As the District thinks about the proposed water storage project, she asked that the District consider “stopping the leaks” in the canals that are caused by gophers. She is sure that the District has a master plan to pipe or shot-crete the canals, but she does want the District to be thinking about this issue.

EMPLOYEE RELATIONS – New Employee Introduction, Panock

Monica Reyes, Customer Account Administrator, introduced Tricia Panock, Cashier. Ms. Panock moved to Grass Valley two and a half years ago from Orange County. She is married and has two sons. She graduated from California State University at Fullerton with a Degree in Criminal Justice. She is an avid Anaheim Angels baseball fan, and enjoys scrapbooking, hiking and taking her children on outdoor adventures. She is thrilled to be a part of the District.

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

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EMPLOYEE RELATIONS – New Employee Introduction, Granholm

Fred Waymire, Treated Water Superintendent, introduced Danny Granholm, Water Treatment Operator II. Mr. Granholm was born and raised in the Grass Valley area, and spent 18 years running his own powder coating business. He spent six months working with the District on the pipe crew as a temporary employee.

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

EMPLOYEE RELATIONS – New Employee Introduction, McGhee

Mary Morris, Finance Manager, introduced John (Rod) McGhee, IT Technician. Mr. McGhee has been with the District for nearly three years as a consultant and temporary employee. He came to this area from the East Coast to be near his son who is a Bear River High School graduate. He has more than 20 years of IT experience and is glad to be a part of the District.

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

MINUTES – December 10, 2014 Regular Meeting and January 14, 2015 Regular Meeting

Approved the minutes of the regular meeting on December 10, 2014, as amended, and the minutes of the regular meeting on January 14, 2015. M/S/C Weber/Drew, unanimously approved

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 27149 through 27196, inclusive; General Fund Revolving Account Nos. 67454 through 67605, inclusive; Recreation Fund Nos. 4718 through 4727, inclusive; and Payroll Direct Deposit and Warrant Nos. 71016 through 71023 and V3980 through V4153, No. 70957 being void. M/S/C Weber/Drew, unanimously approved

RESOLUTION OF APPRECIATION – David A. Breninger, Placer County Water Agency (Res. No. 2015-01)

Adopted Resolution 2015-01 (Resolution of Appreciation – David A. Breninger). M/S/C Weber/Drew, unanimously approved

DISTRICT WATER RULES AND REGULATIONS / POLICY – Storm Water (Res. No. 2015-02)

Approved Section 12.05 of the District's Water Service Rules and Regulations pertaining to Storm Water and adopted Resolution No. 2015-02 (Establishing Policies for Administration – Storm Water). M/S/C Weber/Drew, unanimously approved

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ANNUAL DISCLOSURE OF REIMBURSEMENT (Res. No. 2015-03)

Adopted Resolution No. 2015-03 (Annual Disclosure of Reimbursement to Employees and Directors). M/S/C Weber/Drew, unanimously approved

AGREEMENTS: TEMPORARY SERVICE LOCATION – Donnelly and Zivic

Approved Agreement with Susan Donnelly and Lea Zivic for Temporary Water Service and Contribution for Future Treated Water Mainline Extension as part of the District's Temporary Service Location (TSL) Policy. M/S/C Weber/Drew, unanimously approved

BOWMAN LOW LEVEL OUTLET REPAIR PROJECT – Design / Build Contract (Phase 2)

Tonia Tabucchi Herrera, Associate Engineer, is requesting the award of a design/build project for the Bowman Low Level Outlet Repair Project (Phase 2) to Syblon Reid Construction, Inc. in the amount of \$1,074,910. In 2013, there was a surge event which destroyed the valve and cracked the penstock. A repair was made in the penstock and a blind flange was installed. Currently, the District cannot meet the Division of Safety of Dams (DSOD) regulations for draw down of the dam other than by using the emergency spillway. Staff is proposing to move forward with the installation of a butterfly valve and a Howell-Bunger valve (a ring jet valve) which will allow the District to meet the draw down requirements. The Howell-Bunger and the butterfly valves have been purchased, and delivery is expected in March or April of 2015.

Ms. Herrera explained that the design/build project was distributed to five design firms and five contractors. Five proposals were received and Staff evaluated the proposals and rated Syblon Reid as the highest out of all of the proposals. However, they were not the lowest bidder in terms of cost. In reviewing the package of the lowest bidder, Staff was not confident that the design/build team had a full understanding of the Project. The proposal by Syblon Reid was presented very well, and Staff felt that the design/build team fully understands the Project.

President Miller stated that the General Manager informed him that Staff has met with the low bidder to critique what may have been lacking in their bid.

Ms. Herrera responded affirmatively. Staff met with Hansen Bros. and explained why the District was going to select Syblon Reid. Further, Staff made suggestions to Hansen Bros. for future design/build packages, such as a proposal that was geared more to project specifics versus a presentation of their company.

Director Wilcox stated that he is comfortable with Staff's recommendation. The bid by Hansen Bros. was an outlier. The District is on a very short timeframe with this Project. If Hansen Bros. was selected, there may have been delays because Hansen Bros. may have discovered what they forgot when bidding the Project which would result in a number of change orders. The remaining four bidders came in with similar bids in terms of price which means they probably understood the Project.

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Director Weber asked where the remaining funds for the Project will come from.

Ms. Herrera explained that the total cost of the Project is \$2.1 million. There are funds budgeted for the Project in the 2015 Budget, and a \$650,000 budget transfer will be necessary. The funds are being transferred from the Combie Scour Protection Project.

Director Drew asked if the DSOD determined that the extent of the work for the Combie Scour Protection Project was not necessary.

Ms. Herrera stated that Staff has been working with DSOD, and the District and the DSOD are in agreement that the Combie Project is no longer necessary. DSOD will need to provide something in writing to formalize this determination.

Director Weber asked if the valves have been paid for in advance.

Ms. Herrera stated that a purchase order has been issued, but a payment has not yet been made.

Director Weber asked if the cost for the valves is included in the total cost of the Project.

Ms. Herrera responded affirmatively.

Director Wilcox noted that the Board had approved the purchase of the valves a year ago.

Awarded design / build contract to Syblon Reid Construction, Inc. in the amount of \$1,074,910 for the design and construction of the Bowman Low Level Outlet Repair Project, approved the associated budget amendment, and authorized the General Manager to execute the necessary documents. M/S/C Wilcox/Weber, unanimously approved

Director Drew brought up the susceptibility of the butterfly valve to failure. He asked if there will be any dampers on the actuators.

Ms. Herrera does not have an answer to that question, but she can say that the butterfly valve is an emergency valve. The ring jet valve will be installed based on the amount and speed of water that will flow through that valve.

WATER STORAGE – Update

Chip Close, Operations Manager, reported that the District's current storage as of January 26, 2015 is 183,900 acre feet which is 112 percent of average and 69 percent of capacity. Precipitation is 30.36 inches which is 85 percent of average. The February 1, 2015 snow survey has been conducted and there is an average 6 inches of water content which is 29 percent of average. Typically, the water content is approximately 20 inches at this time of year.

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Mr. Close stated that if the dry weather pattern continues, it is likely that the State Water Resources Control Board will issue curtailment notices again this year.

Director Weber asked if the District spilled at any of the reservoirs during the earlier storms, and Mr. Close responded by stating that Rollins Reservoir did reach spill.

ECOFARM CONFERENCE – Report by Director Weber

Director Weber reported that she attended the 2015 EcoFarm Conference at Asilomar in Pacific Grove, CA and served as a panelist for the session titled ‘Do Farmers and Water Districts Really Have Water Rights?’ She explained why she has been invited to speak at several events recently. She wrote an article for yubanet.com about nine months ago outlining what she saw as a threat to agriculture by the State Water Resources Control Board’s rulings. The panel included Jay Lund, Water Sciences at University of California, Davis, and Dorene D’Adamo, State Water Resources Control Board. Director Weber stated that “It is easier to sit in the ivory tower of a university and look at it from afar. It is something else when you interact with the people who suffer.” She feels that the criteria for being a member of the State Water Resources Control Board is that one must be heartless. There was a member of the audience from the Bakersfield area who witnessed a great number of ranchers/farmers removing their citrus orchards last year for lack of water. Ms. D’Adamo responded by stating “Well, you folks just didn’t plan for the future.” The discussion was civil overall, and it was a most interesting experience.

Director Weber stated that she wanted Ms. D’Adamo to hear that the District is totally dependent on surface water, and if the State Water Resources Control Board “messes” with the surface water, there will be a larger impact compared to those areas with aquifers. Much of the area’s economy is based on water. The unpredictability of the curtailment orders by the State Water Resources Control Board is awful to live with, and the economy will be ruined if the State continues in this manner.

MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION (MCWRA) – Meeting

Director Weber announced that MCWRA has invited a number of speakers from the State to speak at the MCWRA meeting on February 6, 2015 in Auburn, at the Ridge Country Club. She encouraged Board members to attend.

PENN VALLEY TOWN HALL MEETING

Director Wilcox reported that he spoke at the Penn Valley Town Hall Meeting. He provided a water supply update and informed the audience that it is likely that the District will prepare a Proposition 218 notice this year in order to include a surcharge for the purchase of water during a drought situation. Last year, the District used approximately \$600,000 from reserves to purchase water from Pacific Gas and Electric Company, and using reserves for this purpose is not prudent.

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CLOSED SESSION was declared at 9:27 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger, 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.

MEETING RECONVENED in regular session at 9:42 a.m.

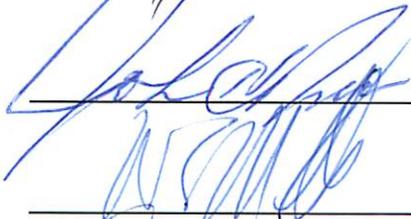
MEETING ADJOURNED at 9:42 a.m. to reconvene in regular session on February 11, 2015, at 9:00 a.m. at the District's main office located at 1036 W. Main Street, Grass Valley, California.


Board Secretary

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



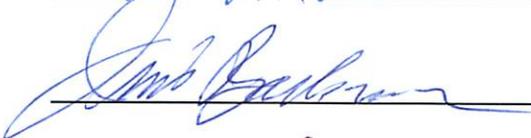
Director
Division I



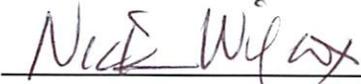
Division II



Division III



Division IV



Division V