

NEVADA IRRIGATION DISTRICT  
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

April 8, 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 8th day of April 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 Rem Scherzinger, General Manager; Tim Crough, Assistant General Manager; Mary A. Morris, Finance Manager; Chip Close, Operations Manager; Gary King, Engineering Manager; Keane Sommers, Hydroelectric Manager; Brian Powell, Maintenance Manager; Karen Gillespie, Human Resources Manager; Peggy Davidson, Recreation Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

EMPLOYEE RELATIONS – New Employee Introduction, Lundell

Jim Caldwell, Senior Facility Ranger, introduced Laurence “Larry” Lundell, Facility Ranger. Mr. Lundell has an extensive background in construction, plumbing and electrical work. He is a graduate of Nevada Union High School. Mr. Caldwell stated that he is pleased that Mr. Lundell is part of the Recreation Team.

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

MINUTES – March 25, 2015 Regular Meeting

**Approved the minutes of the regular meeting on March 25, 2015. M/S/C Drew/Weber, unanimously approved**

WARRANTS

**Approved the following warrants: Yuba-Bear Revolving Fund Nos. 28504 through 28549, inclusive; General Fund Revolving Account Nos. 68254 through 68392,**

April 8, 2015

**Nos. 67275, and 68179 through 68253 being void; Recreation Fund Nos. 5100 through 5115, Nos. 4778 through 5099 being void; and Payroll Direct Deposit and Warrant Nos. 71063 through 71069 and V4860 through V5035, inclusive. M/S/C Drew/Weber, unanimously approved**

#### DISTRICT'S DROUGHT BRIEFING – Schedule

Rem Scherzinger, General Manager, reported that the District's Drought Briefing will be held at the end of May at the Don Baggett Theater. There will be more details to follow.

Director Weber expressed concern about the District not having a strong enough outreach list for the Drought Briefing. The message needs to go beyond utilizing the media.

Mr. Scherzinger suggested that the Directors provide names and addresses of stakeholders to Lisa Francis Tassone, Board Secretary.

#### GOVERNOR'S EXECUTIVE ORDER – Drought

Rem Scherzinger, General Manager, reported that the Governor's Executive Order contains a number of items (31 in total). These items include 25 percent conservation, etc. There are two items of concern to the District. One item is Section 8 which has to do with conservation pricing. If the language is followed verbatim, he believes this violates Proposition 218. Another item is Section 30 which has to do with the suspension of the Administrative Practices Act. Currently, the Act requires that regulation be submitted to the Office of Administrative Law for review. This review process would be suspended under the proposed Order.

With regard to the 25 percent conservation section of the Order, Staff has been working to prepare this message for District customers and the community. It appears, however, that in the draft regulatory framework, the District will be required to conserve water by 35 percent. The State Water Resources Control Board (SWRCB) is trying to "share the pain." Some communities will be required to only conserve 10 percent, where others will have to conserve 35 percent. Based on September's data and usage on larger parcels, the District falls into the 35 percent group. If data is used for the entire season, the District is in the 25 percent group.

The Governor and the SWRCB has every intention of pursuing pre-1914 water right holders by issuing curtailments. He read a portion of a letter from the SWRCB, dated April 2, 2015 to all Water Right Holders: "If dry conditions persist through the spring, it is anticipated that all holders of post-1914 and many holders of pre-1914 water rights in certain watersheds will receive curtailment notices as soon as inflows due to snowmelt and possible future rainfall recede and the last opportunities to collect water to storage are past. Continuing dry conditions in some watersheds will also likely mean that riparian water right holders will be required to reduce their diversions and share what supplies of natural flow remain, if any."

April 8, 2015

Clearly, the Governor and the SWRCB are in a “sharing the pain” concept which is contrary to water rights law and practice.

The Mountain Counties Water Resources Association (MCWRA) is constructing a letter which will politically put pressure on the SWRCB regarding pre-1914 water rights and riparian rights being curtailed, and will state the MCWRA’s position of disagreement on this matter.

Director Wilcox stated that he assumes that the conservation target of 35 percent is related to the fact that the District’s per capita water use is higher than the State average.

Mr. Scherzinger concurred.

Director Wilcox asked what the District’s per capita water use is per day.

Chip Close, Operations Manager, stated that on an annual average, the District is at 146 gallons per customer per day. The Governor’s proposed regulation is based on 50 gallons per customer per day.

Director Wilcox asked which water treatment plants exceed the gallons per customer per day requirement.

Mr. Close stated that the North Auburn, E. George and Loma Rica Water Treatment Plants exceed the gallons per customer per day requirement. The Cascade Shores Plant has the least amount of use due to higher elevations, smaller lots, etc.

Director Wilcox reiterated his concern about implementing conservation pricing. He asked if the Governor has the authority to order the District to disobey the California Constitution.

Jeff Meith, District Counsel, responded that the Governor does not have that authority. He added that much more discussion needs to occur about the Governor’s Order.

Director Weber stated that there are some quick fixes that the District could make and that would be to target water conservation at school districts and parks. Not much conservation is going on in these areas.

President Miller suggested stalling the opening of irrigation season by one week.

Mr. Close pointed out that the Executive Order is focused only on urban water usage.

Director Wilcox noted that any conservation that the District achieves will not help the rest of the state-wide water system because if the District conserves, the water will be held in NID reservoirs which will then increase the District’s carryover storage. This will not help other water districts/agencies meet their goals or help the larger problem.

April 8, 2015

Mr. Scherzinger stated that if the District started to approach the agriculture system for conservation, the groundwater system will be affected. He is working on this matter with the Association of California Water Agencies (ACWA) and the MCWRA.

Director Wilcox stated that the rationale for exempting agriculture water from the Order is that the agriculture community has suffered enough. They in fact have not suffered as much as portrayed in the media. The number of acres fallowed is rather small. They are using groundwater fairly heavily and permanently damaging the groundwater supplies. The Order does not deal with the basic problem that the State is facing. Californians are essentially mortgaging the future of the State by allowing unrestrained groundwater pumping.

Director Weber stated that she hopes that the District can prevent what is happening in other areas. If there is money, or big corporate agriculture, water will be available. The District needs to stand up for all of its water users.

Mr. Scherzinger stated that the District needs to create a third tier and to figure out how to deal with the purchase of Pacific Gas & Electric Company water. This is not included in the rates at this time. Staff is currently working on this issue.

Lily Marie-Mora, District customer, stated that she is hearing that there is bad news from the State. She encouraged the Directors to be careful, and not to get into a fight with the State. We live in a complex world and need to work on building relationships with the State. The blame game does not work. We need to utilize the elected officials, and bring them close. Maybe this is impossible.

President Miller stated that the State is going to take the District's water and the water is for the District to protect. The Board is very protective of the District's water.

#### SPEAKING ENGAGEMENTS – General Manager

Rem Scherzinger, General Manager, reported that he will be providing a presentation to the Western Snow Conference and a presentation to the Sierra Fund's Reclaiming the Sierras event.

#### SOUTH SUTTER WATER DISTRICT (SSWD) – Meeting

Rem Scherzinger, General Manager, reported that he and Directors Drew and Wilcox met with SSWD to discuss District to District issues. The meeting was productive.

#### BEAR YUBA LAND TRUST – Meeting

Rem Scherzinger, General Manager, met with the Bear Yuba Land Trust as part of the Deer Creek Transfer to discuss the conservation easement. An attorney representing the Trust and several others participated in a tour of the site.

April 8, 2015

#### DEER CREEK – Outage

Rem Scherzinger, General Manager, reported that Staff has been working diligently on the Deer Creek outage.

#### PRECIPITATION – Update

Rem Scherzinger, General Manager, reported that the recent storm resulted in two inches of precipitation at the Deer Creek Gauge and 12 inches of snow at Bowman Lake.

#### LOCAL AGENCY FORMATION COMMISSION (LAFCo) – Mobile Workshop

Director Wilcox reported that the District is participating in the LAFCo Mobile Workshop and Rem Scherzinger, General Manager, will be providing a presentation and tour on April 15 of Scotts Flat and Scotts Flat Powerhouse. The workshop is for LAFCo staff members state-wide, and will be attended by representatives from many counties. Director Wilcox will also be in attendance.

#### LAKE WILDWOOD LAKE COMMITTEE – Presentation

Director Wilcox met with the Lake Wildwood Lake Committee to discuss quagga mussels. Peggy Davidson, Recreation Manager, was also in attendance. Information on the grant the District recently received was shared with the Committee. The first step in the process is to conduct a risk assessment.

#### PROPOSED WATER STORAGE PROJECT – Tour

Director Bachman thanked Rem Scherzinger, General Manager, for providing a tour of the Proposed Water Storage Project. Several agriculture customers also attended, and thoroughly enjoyed the tour.

#### PLACER COUNTY WATER AGENCY (PCWA) – Zone 5

Director Bachman stated that he understands PCWA has declared Zone 5 a permanent Zone. They are offering water for \$25 per acre foot. His friends are very happy that this was accomplished.

#### NEWSPAPER COLUMN – Fishing

Director Drew stated that Denis Pierce writes a column for The Union newspaper on fishing. Mr. Pierce says “that with all the salmon smolts on the Feather River, the incentive to leave the cafeteria line would not be that strong for the stripers.”

He stated that he has performed some initial calculations on salmon take since striped bass have been introduced into the Sacramento, San Joaquin and Delta Rivers. More than 1 billion salmon have been taken by the striped bass since their introduction.

April 8, 2015

ORCHARD SPRINGS – Easter Egg Hunt

Director Drew reported that he attended the Easter Egg Hunt at Orchard Springs on April 4. He shared a video of the festivities, and stated that the event was well attended.

LAKE OF THE PINES PINESMEN – Presentation

President Miller reported that he provided a presentation to the Lake of the Pines Pinesmen about the District's current water supply and drought situation. Some of the feedback included the District providing the previous year's water usage on the water bill, similar to Pacific Gas & Electric Company's way of billing. There was also some feedback that the District is not doing much about notifying customers about drought issues, etc. He suggested including information with the water bills.

Rem Scherzinger, General Manager, stated that the District has received requests to include prior water usage on the billing statements. At this time, the billing software does not have the capability to include this information on the statements. Once the audit is completed, Staff will begin the process of evaluating new software. Mr. Scherzinger agreed that this information has a conservation effect.

Mr. Scherzinger stated that Staff will continue to broadcast the conservation message. A new Water Efficiency Technician has been hired and will be working on this and many other issues.

CLOSED SESSION was declared at 9:50 a.m. pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim of Rogue House Place Road Maintenance Committee.

MEETING RECONVENED in regular session at 10:18 a.m.

CLAIMS & SUITS – Rogue House Place Road Maintenance Committee

**Rejected claim by the Rogue House Place Road Maintenance Committee and tendered defense to the contractor, T&S Construction Company, Inc. M/S/C Drew/Wilcox, unanimously approved**

CLOSED SESSION was declared at 10:19 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger and/or Crowe regarding price and other terms of acquisition for property located at 11112 Bowman Lake Road, Nevada County; Negotiating parties: PG&E.

CLOSED SESSION was declared at 10:19 a.m. pursuant to Government Code Section 54956.9(4)(d) to confer with District Counsel regarding anticipated litigation; one potential case.

April 8, 2015

CLOSED SESSION was declared at 10:19 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.

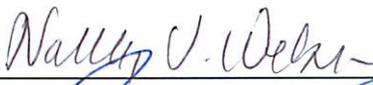
CLOSED SESSION was declared at 10:19 a.m. pursuant to Government Code Section 54956.9(2)(d) to confer with District Counsel regarding anticipated litigation; one potential case.

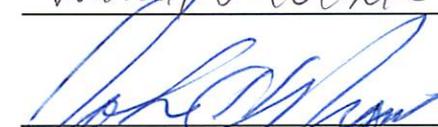
MEETING RECONVENED in regular session at 11:38 a.m.

MEETING ADJOURNED at 11:38 a.m. to reconvene in regular session on April 22, 2015, 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

April 8, 2015

Absent

Division IV

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*Nick Wilcox*

Division V

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