

NEVADA IRRIGATION DISTRICT
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

August 12, 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 12th day of August 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), William Morebeck (Division IV), and Nick Wilcox (Division V), Directors.

Staff members present included Rem Scherzinger, General Manager; Gary King, Engineering Manager; Chip Close, Operations Manager; Brian Powell, Maintenance Manager; Keane Sommers, Hydroelectric Manager; Peggy Davidson, Recreation Manager; Karen Fassler, Human Resources Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

MINUTES – July 22, 2015 Regular Meeting

Approved the minutes of the regular meeting on July 22, 2015. M/S/C Weber/Drew, unanimously approved

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 28835 through 28926, inclusive; General Fund Revolving Account Nos. 69349 through 69646, Nos. 69638, 69291 and 69356 being void; Recreation Fund Nos. 5312 through 5358, inclusive; and Payroll Direct Deposit and Warrant Nos. 80076 through 80102 and V6290 through V6638, inclusive. M/S/C Weber/Drew, unanimously approved

BOWMAN SOUTH ARCH DAM – Repair of Downstream Shotcrete Face

Approved contract with Syblon Reid and the associated budget amendment for the Bowman South Arch Dam Repair of Downstream Shotcrete Face, and

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authorized the General Manager to execute the necessary documents. M/S/C Weber/Drew, unanimously approved

CLAIMS & SUITS – Wilson

Denied claim by Cindy Wilson in the amount of approximately \$1,200 for damage to her car windshield caused by a rock from a dump truck on I-80. M/S/C Weber/Drew, unanimously approved

EMPLOYEE RELATIONS – Newman, Retirement Presentation (Res. 2015-24)

Brian Powell, Maintenance Manager, recognized Todd Newman on his retirement from the District after 21 years of service. Mr. Newman served in the Marine Corps before working with the District and had construction experience. He started as a Utility Worker and was quickly promoted to an Operator. He was then promoted to the Welder position and excelled in that position. Mr. Newman was then promoted to the Maintenance Supervisor position in 2008, where he did a great job. Mr. Newman has been an excellent employee. He has supervised the Facilities Crew, the Service Crew and the Construction Crew. He has the most well rounded skill set of anyone Mr. Powell knows. Mr. Newman knows the water business very well, and has been a good people person. He will be missed. Mr. Newman and his wife recently purchased the Lazy Dog candy shop. Mr. Powell wished Mr. Newman well.

The Board applauded Mr. Newman's 21 years of service.

RAW WATER MASTER PLAN PHASE 2 – Environmental Consulting Services

Gary King, Engineering Manager, presented a recommendation from the Engineering Committee to award an environmental consulting services contract to Kleinschmidt Associates for Phase 2 of the Raw Water Master Plan. In 2012, Chapters 1 through 7 of the Raw Water Master Plan were approved by the Board of Directors. Chapter 8 is a list of the projects associated with the Plan. The intent is to complete a programmatic Environmental Impact Report (EIR) for the projects in Chapter 8.

A request for proposals (RFP) was sent to 10 consulting firms, and two proposals were received. A selection committee of five staff members reviewed each proposal based on the evaluation criteria identified in the RFP. The proposals were reviewed by the committee members independent of each other. A total of 70 points was awarded for the proposal evaluations out of a possible 100 points. After all the proposals were evaluated, each proposal was awarded points for costs and a final ranking was determined.

An average of the scoring results from reviewers and costs are as follows:

| Consultant | Proposal Only Points | Total Overall Points (includes costs) | Cost |
|---------------------|----------------------|---------------------------------------|------------------|
| ICF | 54.6 | 78.6 | \$399,704 |
| Kleinschmidt | 57.8 | 87.8 | \$319,224 |

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Mr. King explained that there is approximately \$150,000 in the 2015 Budget for these services. The balance will be budgeted for in the 2016 Budget.

Awarded consulting contract to Kleinschmidt Associates in the amount of \$319,224 for environmental services for Phase 2 of the Raw Water Master Plan, and authorized the General Manager to execute the necessary documents and limit expenditures based on available budget. M/S/C Drew/Weber, unanimously approved

UPPER DIVISION RECREATION FACILITIES – Preliminary Plan and Budget

Peggy Davidson, Recreation Manager, presented a recommendation from the Maintenance and Resource Management Committee to approve the Preliminary Plan and Budget for the day-to-day operation and maintenance of the Upper Division Recreation Facilities. The Upper Division includes the Jackson Meadows area and the Bowman area. The US Forest Service's contract with California Land Management (concessionaire) expires at the end of 2015. At that time, the US Forest Service plans on running the Upper Division facilities.

Ms. Davidson stated that pursuant to the Federal Energy Regulatory Commission (FERC) license, the District is required to operate these recreation facilities either by concessionaire or with Staff. This is a wonderful opportunity for the District. Staff is proposing to run the facilities, and if this poses a challenge, the District can hire a concessionaire to run the facilities. Projected revenues for 2016 are \$284,865 and projected expenses are \$162,900. The US Forest Service will need to be contacted as soon as possible, and Staff needs the remainder of the year to plan.

Director Drew asked if there is a residence/housing facility available at Jackson Meadows.

Ms. Davidson stated that there is the administrative site with pads. She will expect the work campers to bring their motorhome/trailer. The work campers will perform maintenance, collect fees and patrol the facility.

Director Wilcox asked if the revenue figures are based on past experience.

Ms. Davidson explained that she received revenue figures from the existing concessionaire.

Rem Scherzinger, General Manager, stated that running the Upper Division facilities is an opportunity to provide enhanced recreation.

Director Weber stated that she and Director Drew toured the areas, and pointed out that they are remote.

Ms. Davidson stated that this is why Staff is proposing to have someone on site.

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Director Morebeck asked how the accounting works for the fees collected.

Ms. Davidson explained that fees will be dropped into in-ground safes. She will need to figure out how to transfer/deposit the funds.

Director Morebeck asked if the Sheriff will be in uniform.

Mr. Scherzinger stated that the Sheriff will be in uniform. The District will contract with the County Sheriff to provide staff on the weekends and for specific functions.

Director Weber stated that Ms. Davidson needs to have enough help with these added responsibilities.

Approved Preliminary Plan and Budget for the District taking over the day-to-day operation and maintenance of the Upper Division Recreation Facilities beginning in January 2016. M/S/C Wilcox/Weber, unanimously approved

BOWMAN POWERHOUSE

Rem Scherzinger, General Manager, reported that the Bowman Powerhouse is back online. He has visited the facility and the District's crew and contractors have done an amazing job. All of the District's units should be configured as the Bowman facility has been configured.

Director Wilcox asked if the Directors can tour the facility.

Mr. Scherzinger responded affirmatively.

TOWN OF WASHINGTON – Assistance

Rem Scherzinger, General Manager, reported that he was contacted by Nevada County regarding the Town of Washington and its water system. They have had some operational issues. He and Staff will be available to provide technical support and expertise to help them operate their system.

Director Wilcox stated that the County does not own that system. The people of Washington own the system. He asked how this will be paid for.

Mr. Scherzinger stated that the District will not bear any financial burden as it relates to the community of Washington. However, the District will be providing assistance.

LOWELL HILL FIRE – Commendation

Rem Scherzinger, General Manager, commended Keane Sommers, Hydroelectric Manager, and Staff for their efforts to protect the District and to support the fire crews as the Lowell Hill Fire was burning.

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The District made a strong showing in this effort and it has not been well publicized. He asked Dave Carter to work with Mr. Sommers so that an article can be put into the newspaper.

Director Drew complimented Mr. Sommers on the memorandum that outlined the status of the Fire. The access to water during that emergency from the NID/PG&E system was incredible. Were those systems not in place, the Fire would have raged onward. NID/PG&E played a principle role in protecting the community.

AMERICAN PUBLIC WORKS ASSOCIATION – 2015 Project of the Year

Rem Scherzinger, General Manager, announced that the American Public Works Association awarded the District the 2015 Project of the Year for the Banner Taylor Reservoir Replacement Project. He commended Gary King, Engineering Manager, and Staff for their work on this Project.

FINANCE MANAGER – Update on Recruitment

Rem Scherzinger, General Manager, reported that he will be meeting with two candidates this week for a second interview. He is hopeful and optimistic.

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE – Meeting

Rem Scherzinger, General Manager, reported that Tina Bartlett, Regional Manager with the Department of Fish and Wildlife, asked to meet with Mr. Scherzinger to discuss Proposition 1 funding for watershed projects. The District's Engineering Manager and Grant Writer were also in attendance.

Mr. Scherzinger stated that during this meeting, the Hemphill facility was discussed, and her office's suspension of the 1602 Streambed Alteration Permit. The suspension will stay in place until the District presents a project. The District is in the process of negotiating a contract with Kleinschmidt Associates to review the facility in its engineering configuration. As long as the water right protests are pending for the licensing of the District's Lower Division water rights, the District will not be in a position to move forward on that facility until there is resolution on how to operate the facility. Ms. Bartlett requested that Mr. Scherzinger prepare a letter to her office discussing the District's progress as it relates to the facility.

Water rights petitions were also discussed. Ms. Bartlett was comfortable with stopping negotiations at this point and going to hearing for resolution on this matter.

PLACER COUNTY – Update on Master Tax Sharing Agreement

Rem Scherzinger, General Manager, stated that he met with Placer County's Executive Officer and staff to discuss the Tax Sharing Agreement. He has been assured that the matter will be considered by the County Board of Supervisors in October. Once the Agreement is executed, the District will be able to annex parcels in Placer County.

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BREWER ROAD BACKBONE EXTENSION PROJECT - Status

Rem Scherzinger, General Manager, reported that the Brewer Road Project is moving forward. Approximately 450 feet of pipe is being installed per day. There will be approximately 35 new connections to this system.

MEADOW VISTA MUNICIPAL ADVISORY COMMITTEE – Presentation

Rem Scherzinger, General Manager, reported that he provided a presentation to the Meadow Vista Municipal Advisory Committee regarding the Centennial Reservoir and Power Supply Project. The community is clearly concerned about traffic and traffic safety.

TOWN MEETING – Representative Doug LaMalfa

Rem Scherzinger, General Manager, stated that he attended the town hall meeting hosted by Representative LaMalfa. The Bureau of Land Management parcels were discussed. Representatives from the South Yuba River Citizens League and the Foothill Water Network asked Representative LaMalfa to delay any decision regarding the acquisition of the parcels.

PLACER COUNTY FARM BUREAU

Director Morebeck reported that he provided a brief presentation to the Placer County Farm Bureau on the District's water supply and storage. He also thanked them for submitting a letter of recommendation for his appointment to the District's Board of Directors.

TOUR – Hemphill, Gold Hill and Lincoln Gaging Station Facilities

Director Morebeck reported that he participated in a tour provided by the General Manager and the Engineering Manager of the Hemphill, Gold Hill and Lincoln Gaging Station Facilities.

SAVE AUBURN RAVINE SALMON AND STEELHEAD (SARSAS) – Meeting

Director Morebeck reported that he met with SARSAS last week. He listened to what their ideas are, and is able to understand where they are coming from. He has the feeling that SARSAS will not be as adversarial as they have been in the past and that their focus is on the Hemphill facility.

RECREATION – Comment by Director Drew

Director Drew commended Peggy Davidson, Recreation Manager, for all she does for the District's Recreation Division. He pointed out that the District is the largest recreation provider in the region. This is often overlooked and should be emphasized.

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GOPHER HILL COURT – Comment by Director Drew

Director Drew commended Brian Powell, Maintenance Manager, and Cameron Price, Maintenance Supervisor, for the excellent work that was done on Gopher Hill Court.

CONCERN – Comment by Director Weber

Director Weber expressed concern about the District dealing with Representative LaMalfa and Congress to acquire Bureau of Land Management parcels for the Centennial Reservoir and Power Supply Project. She feels that the Board needs to have input on these matters.

Rem Scherzinger, General Manager, noted that the matter is being discussed in closed session later in the meeting.

CONCERN – Comment by President Miller

President Miller expressed concern about the workload of Rem Scherzinger, General Manager. He likened it to “triaging” and suggested that the Department Heads take on some of these responsibilities. He admires Mr. Scherzinger’s work ethic. He suggested that the Board prioritize the accomplishments that Mr. Scherzinger recently provided the Board for his performance evaluation.

Mr. Scherzinger stated that he appreciates President Miller’s comments. He would welcome working with the Board by reviewing/prioritizing the list of accomplishments.

PUBLIC COMMENT ON CLOSED SESSION ITEM – Curran (sp?)

Stephanie Curran expressed concern about the District’s acquisition of Bureau of Land Management (BLM) parcels. She is concerned that the District is purchasing property prior to the Environmental Impact Report (EIR) being completed. These properties that are being discussed are near the Bear River. She asked the Board not to make this a closed session meeting and to handle real estate transactions publically. She is interested in what is in the EIR, and she is concerned about where the funds are coming from that the District is spending on the BLM parcels. She does not know what the District has spent to date on property acquisitions, and she does not know what the District plans on spending in the future. This is of great concern to her.

President Miller asked if she is a District customer.

Ms. Curran stated that she lives near the Bear River Campground and is not a District customer. However, she will be directly affected by the Project. She does not think the District is being transparent by discussing this matter in closed session.

Jeff Meith, District Counsel, stated that the Brown Act authorizes the Board to meet in closed session to discuss price and terms regarding purchase of real property.

Director Wilcox stated that during the town hall meeting with Representative LaMalfa, the District was accused of violating the Brown Act. His understanding is that the

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discussion of price and terms of conditions of real estate transactions is in accordance with the Brown Act.

Ms. Curran asked once again why the District is acquiring property before an EIR is completed. She is concerned about keeping the Bureau of Land Management parcels open for public use.

Director Wilcox stated that the District has the ability to purchase land, and the District has been doing this for the past year from willing sellers, and has been paying negotiated prices. The District owns a number of parcels in the area, and has owned these parcels since the 1920's for the specific purpose of building a dam.

President Miller suggested that Ms. Curran attend the Engineering Committee meetings and hear the Project Status Report. She can dialogue with the Committee members and Staff at this time.

CLOSED SESSION was declared at 10:16 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger and/or Meith regarding price and terms of payment; properties subject to negotiation are Nevada County Parcel Nos. 28-310-16, 28-310-37 and 28-450-01; and Placer County Parcel Nos. 099-120-001 and 100-200-002.

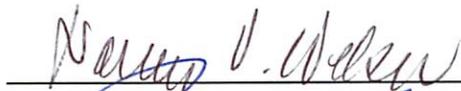
MEETING RECONVENED in regular session at 11:45 a.m.

MEETING ADJOURNED at 11:45 a.m. to reconvene in regular session on August 26, 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.

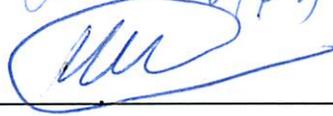
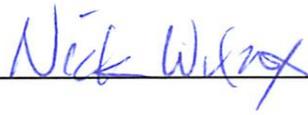
Director
Division I



Division II



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