

NEVADA IRRIGATION DISTRICT
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

October 14, 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 14th day of October 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; Tim Crough, Assistant General Manager; Marvin V. Davis, Finance Manager/Treasurer; Gary King, Engineering Manager; Brian Powell, Maintenance Manager; Chip Close, Operations Manager; Peggy Davidson, Recreation Manager; Karen Fassler, Human Resources Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

PUBLIC COMMENT – Cotten

Russell Cotten, resident on Valley Vista Lane, Auburn, stated that he has a farm on 3.5 acres known as Placer Foothill Farms. He has free-range chickens, 40 fruit trees and 20,000 square feet of organic gardens. This is a fairly new farm and he plans to sell at Farmer's Markets starting in the spring. He has about a ¼ mile of the Edgewood Canal running diagonally through his property which is why he purchased the property in the first place. He cooperates fully with the District with regard to access to his property for the 15 water boxes that provide water to his neighbors. Last year, he volunteered his own time and equipment to replace one of the District's failing culverts crossing Valley Vista on his property. The District provided the material and inspections. Four years ago, he contacted the District and voluntarily put his winter water on hold in order to conserve water and reduce his bill. The only reason he agreed to do this is because the District customer service representative informed him that his winter water would be restored when he was ready to use the water. He was installing infrastructure for the farm so he did not need winter water at that time. This past summer, he planted an orchard, a huge organic vegetable garden and populated his new chicken coop with

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chickens. A week ago, he contacted Customer Service and was told that he was misinformed four years ago. He was told his winter water was not on hold, and that he had given up his water rights, and he can't have them back. He was also told that Governor Brown specifically will not allow additional allotments of water. He read every publication put out by Governor Brown, and found no such wording. He also read the District's Drought Measures on the website. This document specifically states that "new and increased irrigation water sales are limited to the smallest amount of water necessary for the customer's beneficial use. He also has a special circumstance with his property. He is surrounded with smaller lots. His 3.5 acres is land-locked. His property is also not accessible to fire trucks because it is land-locked. Irrigation water and his newly installed sprinklers are the only way to combat fires in his neighborhood. Having no water available is a fire risk to him and his neighbors. He has also spent thousands of dollars this year installing vast amounts of irrigation piping, valves and drip systems for water conservation. All he needs is a ½ Miner's Inch. He asked the Board to allow him to have water taken off hold for the sake of his family farm, fire protection and good will toward a very cooperative, long-term customer. The District's decision to take away his right to water is completely devastating.

Rem Scherzinger, General Manager, stated that Mr. Cotton cancelled his winter water in 2012, and approached the District in 2013, but did not complete the transaction. He asked Mr. Cotton to meet with Chip Close, Operations Manager, to resolve this matter.

MINUTES – September 23, 2015 Regular Meeting

Approved the minutes of the regular meeting on September 23, 2015. M/S/C Drew/Weber, unanimously approved

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 29046 through 29082, inclusive; General Fund Revolving Account Nos. 70094 through 70236, inclusive; Recreation Fund Nos. 5423 through 5444 inclusive; and Payroll Direct Deposit and Warrant Nos. 80140 through 80150 and V7167 through V7343, inclusive. M/S/C Drew/Weber, unanimously approved

SCOTTS FLAT TRAIL PROJECT (PHASE II) – Preliminary Review & Initial Study (Res. No. 2015-31)

Peggy Davidson, Recreation Manager, stated that Staff has completed the Preliminary Review and Initial Study for the proposed Scotts Flat Trail Project (Phase II). Phase II is an extension of the existing trail from Highway 20 down to the Scotts Flat Campground. This extension will add approximately 9 miles of different loop options that will improve user experience and direct trail traffic from the operations area. The Forest Trails Alliance has applied for a grant through the California Department of Parks and Recreation, in the amount of \$1 million. Approximately \$600,000 of the grant is included for the suspension bridge crossing Deer Creek.

The following measures will be incorporated to minimize impacts of the Project:

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1. The Trail incorporates sustainable design concepts. Sustained grades would be no more than 5 percent and drainage would be addressed by integrating an undulating alignment to ensure long-term frequent drainage points throughout the Trail's length.
2. Crossings of intermittent drainages would be hardened using local rock. Perennial drainages would be crossed using culverts or small bridging structures.
3. All fueling and maintenance of vehicles and other equipment and staging areas shall occur outside of the stream channel. All workers shall be informed of the importance of preventing spills.
4. To protect the California spotted owl, the operating period for Trail construction will be limited so that Trail construction does not occur from March 1 through August 15 within Section 35, T17N, and R9E.
5. All equipment will be washed prior to entering the site to avoid introduction of noxious weeds.
6. To protect soil and watershed resources, implement the Best Management Practices "Scotts Flat Trail Project" specifically developed for this project.

The District will enter into a Right of Entry Agreement with the Forest Trails Alliance and its agents for construction, building and providing maintenance of the non-motorized single-track trail. Construction is scheduled to commence in 2016.

The Notice of Intent to Adopt a Mitigated Negative Declaration was published in The Union on September 21, 2015. Staff has received no correspondence. The Board Secretary also confirmed that no correspondence has been received.

Director Drew referenced the species list (Appendix A) in the Study. He asked if the common name listed as carrot should be Queen Anne's Lace.

Ms. Davidson stated that she will verify this information with the consultant.

Director Weber referenced Exhibit G, Item 5 pertaining to Mitigation Measures. The Exhibit states that there are no mitigation measures, but on Exhibit F, the Notice is for a Mitigated Negative Declaration.

Ms. Davidson stated that she will add the mitigation measures to Exhibit G, Item 5.

Director Wilcox stated that he assumes that the District will not be obligated to complete the Project unless the grant funds are made available.

Ms. Davidson stated that the District is not obligated with regard to funding for the Project. The District is, however, providing the property for the Trail.

Director Wilcox stated that the Botanical Survey was outstanding. He has read a number of these types of surveys, and this consultant did a nice job.

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Adopted Resolution No. 2015-31 (Adopting a Mitigated Negative Declaration and Approving the Project – Scotts Flat Trail Project – Phase II). M/S/C Wilcox/Drew, unanimously approved

HYDROGRAPHER SERIES – Job Descriptions and Salary Ranges

Karen Fassler, Human Resources Manager, presented a recommendation from the Administrative Practices Committee to approve the creation of a Senior Hydrographer position and related job specification and salary range, and to approve updates to the Hydrographer I/II job specification and salary range. Currently, the Hydrographer II position includes senior level work, expertise and training that warrants the higher level classification. Additionally, and importantly, the expansion of this job series allows for anticipated need that the District will have for this job classification in the future. The Senior Hydrographer job specification has been created, and additional duties and responsibilities are reflected in the specification. Some of these duties were previously performed by the Hydrographer II. An updated job specification for the Hydrographer I/II reflects the removal of these duties.

Salary and job specification information from selected survey agencies has been reviewed and analyzed in order to gain clarification and to develop a salary recommendation. The salary of this job series has also been reviewed in terms of internal alignment. Based on the survey information, and the District's salary structure, it is recommended that the Board approve a schedule and range of B55 for the Hydrographer I position, range B75 for the Hydrographer II position, and range B95 for the Senior Hydrographer position. The current salary of the Hydrographer I position is about 3 percent above the proposal. The reduction in salary reflects the change in job duties that will be performed by the Senior Hydrographer moving forward. Hydrographer duties in other agencies are sometimes contracted with the United States Geological Survey (USGS). The Administrative Practices Committee asked that this information be reviewed. It was determined that the cost for contracting with the USGS is approximately \$23,750 annually per gauge, depending on the type of gauge. The District currently attends to 21 gauges. Eight additional gauges are expected as part of the new Federal Energy Regulatory Commission (FERC) license. To contract these duties with the USGS would cost the District approximately \$688,750 annually, which is well above what it would cost to staff this position in house, which would be approximately \$145,000 per year (salary plus benefits). Ms. Fassler noted that the labor organization has reviewed and approved the job specifications and salary ranges.

Director Drew asked how many times a year a gauge is physically read.

Rem Scherzinger, General Manager, stated that the USGS sets an annual contract which includes calibrating and collecting the daily data. The gauge is not checked physically every day. The number of times a year a gauge is read physically would depend on the type of gauge.

Approved the creation of a Senior Hydrographer position and related job specification and salary range, and approved updates to the Hydrographer I/II job specification and salary range. M/S/C Weber/Drew, unanimously approved

COMBIE PHASE I CANAL AND BEAR RIVER SIPHON REPLACEMENT PROJECT – Engineering Consulting Services and Budget Amendment

Gary King, Engineering Manager, stated that the Combie Phase I Canal and Bear River Siphon facility is badly deteriorated, has failed three times and requires constant monitoring and maintenance. This facility usually transmits 60 to 65 percent of the District's water annually. It is a critical piece of the District's infrastructure.

Staff continues to move forward with the design for replacement of the facility. While portions of the design are being completed by Staff, the structural design of the siphon requires structural expertise that Staff does not have.

At this point, the environmental work has been completed and Staff is looking into purchasing bonds for the Project.

A Request for Proposals for engineering services on the Bear River Siphon was sent to ten consulting firms, of which two firms responded.

Consultant	Proposal Only Points	Total Overall Points (includes costs)	Cost
Hatch Mott McDonald	47.4	69.7	\$665,870
Stantec	41.9	81.9	\$370,980

Mr. King noted that Stantec has worked with the District on other projects such as the Bowman Outlet Project that was recently completed. Stantec will design and position the District for bidding the Project, once bonding is obtained.

Mr. King stated that the Project is anticipated to cost \$20 million. The request at this time is a budget amendment in the amount of \$460,000. The Engineering Committee and the Administrative Practices Committee have advanced a recommendation to the Board to award a contract with Stantec Consulting Services, Inc. in the amount of \$370,980, and to approve a budget amendment in the amount of \$460,000.

Director Drew asked if there will be any opportunity for cost sharing with Placer County Water Agency (PCWA).

Rem Scherzinger, General Manager, stated that Staff is in the process of having this conversation with PCWA.

Director Wilcox asked if the funds the Board is considering at this time will be reimbursed by the bond issuance.

Marvin Davis, Finance Manager/Treasurer, responded affirmatively.

Awarded consulting contract to Stantec Consulting Services, Inc. in the amount of \$370,980, approved associated budget amendment in the amount of \$460,000,

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

CENTENNIAL RESERVOIR AND POWER SUPPLY PROJECT – Budget Amendment for Geotechnical Consulting Services

Gary King, Engineering Manager, stated that during the Request for Proposals (RFP) process for geotechnical services, many of the consultants indicated that it was challenging to estimate the cost for drilling. As part of the RFP, Staff set \$150,000 for the drilling. At this time, the consultant has indicated that the geotechnical borings would cost approximately \$400,000. Mr. King pointed out that the geotechnical data from these borings will be valid for many years to come. Staff is asking the Board to consider a budget amendment to cover the costs for the borings (the initial \$150,000 plus a budget amendment in the amount of \$250,000 for a total of \$400,000), as recommended by the Administrative Practices Committee.

In response to President Miller's question about the size of the boring, Mr. King stated that the boring could be 600 to 800 feet deep.

Director Drew guessed that the diameter of the boring would be four inches.

Director Morebeck asked when the borings will be completed.

Mr. King estimates that the borings will be completed by the end of the first quarter of 2016.

Director Wilcox stated that the refraction surveys identified several dam access alignments. He asked if more information can be shared on this matter.

Rem Scherzinger, General Manager, stated that there were a number of alignments that were initially surveyed, and the number has been narrowed down to two. The draft study is being reviewed by Staff at this time, and will be made available to the Board of Directors upon Staff's review. At this time the document will become public information and will be posted to the District's website.

Director Weber requested that Staff provide periodic updates on the Centennial Reservoir and Power Supply Project, so that the Board can respond effectively to constituents' questions and/or concerns.

Mr. Scherzinger concurred.

Director Wilcox asked if a Notice of Preparation for the Project can be issued without the boring information.

Mr. Scherzinger stated that the boring information is necessary prior to issuing a Notice of Preparation in order to know the alignment for the Project. A Notice can be issued prior to the boring information being received, but the alignment would not be known.

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Lily Marie-Mora, District customer, asked if the borings will be capped once they are drilled.

Mr. Scherzinger stated that the borings will be pressure grouted.

Approved Task Order in the amount of \$250,000 for additional subsurface investigations under the geotechnical consulting services agreement with AECOM, approved associated budget amendment in the amount of \$250,000, and authorized the General Manager to execute the necessary documents. M/S/C Drew/Wilcox, unanimously approved

WATER STORAGE – Update

Rem Scherzinger, General Manager, reported that the District has 135,241 acre feet in storage as of October 7, 2015, which is 86 percent of average and 51 percent of capacity. Year to date treated water consumption is 27.5 percent (as compared to 2013) and conservation for the month of September is 18.5 percent.

NEVADA COUNTY – Meeting regarding Lower Scotts Flat Road

Rem Scherzinger, General Manager, reported that a meeting was held with Nevada County regarding Lower Scotts Flat Road. The community in this area is struggling with the amount of traffic on the road. As a result of that meeting the County will enforce the area and the District has agreed to stake the District's property line. The Recreation Department will direct security to visit the area once a day, Friday, Saturday and Sunday.

Director Weber stated that during the month of August, the neighbors documented that 400 vehicles visited Lower Scotts Flat Road. This causes concern for fire protection, because the vehicles are blocking the road. She will be meeting with the neighbors to start discussions on developing a Road Maintenance Agreement. She will bring information back to the Maintenance and Resource Management Committee.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – Tour with Executive Director

Rem Scherzinger, General Manager, reported that he coordinated a tour with Tim Quinn, Executive Director of ACWA, to see the District's Upper Division. They looked at the headwaters and discussed how to pursue headwaters funding and legislation at the State and Federal levels.

SOUTH COUNTY CHAMBER OF COMMERCE – Presentation

Rem Scherzinger, General Manager, reported that he provided a presentation to the South County Chamber of Commerce on the current drought situation and the District's plan to construct the Centennial Reservoir and Power Supply Project.

Director Wilcox stated that he received a telephone inquiry about a briefing packet that was provided regarding the Centennial Project.

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Mr. Scherzinger stated that no briefing packet has been distributed regarding the Project. He noted that Staff is working on a website dedicated to the Centennial Project, and this should be available shortly. The Directors will be notified as soon as this occurs.

WATERSHED IMPROVEMENT PROGRAM (WIP) – Webinar

Rem Scherzinger, General Manager, reported that he, Director Weber, several staff members and the District's contract forester attended a webinar on the Sierra Nevada Conservancy's Watershed Improvement Program. The District is ready to bring Placer County Water Agency and El Dorado Irrigation District together to work on this Program.

Director Weber stated that she is interested in attending these types of meetings because she is very interested in forest issues and the potential for grant funding.

E. GEORGE TO CASCADE SHORES PROJECT – First Phase

Rem Scherzinger, General Manager, reported that the first phase of the E. George to Cascade Shores Project design is in review. Staff is in the process of developing a community letter for those in and around the Project area. The Directors will receive a copy of this letter.

ELECTION – 2016

President Miller stated that he has never received a telephone call from Otis Wollan, former Director at Placer County Water Agency. President Miller called Mr. Wollan when he lost his bid for reelection. Mr. Wollan is providing information on the Centennial Reservoir and Power Supply Project to many members of the public. He has been told that Mr. Wollan is trying to find someone who will run against President Miller. President Miller stated that he is in favor of trying to create additional water storage in the future, and this appears to be what concerns Mr. Wollan.

FINANCE MANAGER/TREASURER – Appreciation

President Miller thanked Marvin Davis, Finance Manager/Treasurer, for being at the District. This has allowed Rem Scherzinger, General Manager, to spend time with his family.

DIRECTOR DREW – Comment

Director Drew stated that with regard to the Centennial Reservoir and Power Supply Project, the deception program has been nothing but a continuous barrage of mistruths, threats, etc.

CLOSED SESSION was declared at 10:04 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

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Nos. 27-040-23, 27-040-27 and 27-070-27; and Placer County Parcel Nos. 071-020-023-000, 071-020-024-510 and 071-020-025-510.

CLOSED SESSION was declared at 10:04 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 for acquisition of rights in real property for the Rock Creek Siphon Project; properties subject to negotiation are Placer County Assessor Parcel Nos. 052-020-077 and 052-020-078; negotiations will be conducted with The Whaley California General Partnership.

CLOSED SESSION was declared at 10:04 a.m. pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim of Farmers Insurance and Brenda Conn.

MEETING RECONVENED in regular session at 11:04 a.m.

CLAIMS & SUITS – Farmers Insurance and Brenda Conn

Rejected claim by Farmers Insurance and Brenda Conn. M/S/C Miller/Drew, unanimously approved

MEETING ADJOURNED at 11:04 a.m. to reconvene in regular session on October 28, 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

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Division IV

Division V
