

NEVADA IRRIGATION DISTRICT

Water & Hydroelectric Operations Committee

August 14, 2018

MINUTES

Committee Members Present: Will Morebeck, Director, Division 4
Nick Wilcox, Director, Division 5

Committee Staff Members Present: Rem Scherzinger, General Manager
Chip Close, Water Operations Manager
Keane Sommers, Hydroelectric Manager
Pam Robinson, Management Assistant

Others Staff Members Present: Gary King, Engineering Manager
Jana Kolakowski, Human Resources Manager
Adrian Schneider, Senior Engineer

Public Comment

None

Minutes of the June 12, 2018 Regular Meeting

Approved as submitted.

Water Supply Update

Mr. Chip Close, Water Operations Manager, provided an update of the District water supply.

The District's reservoir storage as of August 8, 2018 is at 222,297AF, 111% of average, and 82% of capacity.

Bowman Lake precipitation is at 0" and 0% of average due to the recent start of the water year.

The Bowman Lake precipitation water year ended June 30, 2018 with 69.13".

Year to date treated water conservation is at 17%.

Loma Rica Hydroelectric Facility – EIR Amendment

Mr. Gary King, Engineering Manager, brought this item to the Committee. He would like to discuss the amendment to the CEQA document concerning the Loma Rica Hydroelectric Facility (Facility).

The Facility is part of the Lower Cascade Project and envisioned in 2005 as part of the CEQA document. The initial CEQA document indicated a location for the powerhouse on the existing pipe.

The reason for the amendment is to relocate the Facility about 200 feet requiring an amendment to CEQA.

This amendment was generated in 2006. As the attorneys are moving forward in the water rights process, it was recommend bringing this item to the Board although it is not a requirement of CEQA. The District does not currently have incidental power use at this location in its water rights.

Director Will Morebeck asked Mr. King to explain where the water originates and arrives at the facility.

Mr. King explained the Lower Cascade project was constructed in 2007, 2008, 2009 and closed about 2010. This project is piped and extends up to the Deer Creek inlet. The diversion is above Scotts Flat Lake. The pressure is about 200PSI and is conveyed through a 48" pipe. Some sections of pipe in the upper country near the Clipper Creek Siphon and the Deer Creek inlet are 54" pipe.

The piping consist of steel pipe with concrete mortar lining. It's called a prestressed concrete with wire on the outside. The pipe is below ground.

Modifications to the original design were made up at Clipper Creek so it is fully pressurized all the way up to the Deer Creek inlet.

Mr. King explained the new location and function of the Facility.

This is an administrative change and not normally discussed with the Board of Directors. It was thought to bring this item to the Board as an open item and explain to the Public given the sensitivity of water rights to add power as a point of diversion/rediversion.

The Water & Hydroelectric Operations Committee recommends forwarding this item to the Board of Directors as an open item.

Preliminary 2019 Water Operations Department Budget

Mr. Chip Close, Water Operations Manager, presented the 2019 budget for Operations, Customer Service and Cashiering to the Committee.

The Committee requested reviewing the percentage changes to the categories of Salary 3.8%, Benefits 13.6%, Non Labor Operating 7.8% and Capital Project 0% with an average increase of 7.5%.

The Salary section is primarily step increases and CPI changes. The Benefits section is mainly due to benefits and CalPERS. CalPERS Actuarial is projecting a higher number than expected.

The Non Labor Operating section increase is mainly due to the possible transition from bimonthly to monthly billing and the new cellular read meters.

Capital Projects is unchanged.

Mr. Close began going over the budget starting with the salary and labor section covering the list of unchanged FTE's (Full Time Employees). There are changes to the CalPERS and benefits due to cost increase.

The Chemicals reflect an increase of adding fuel. In the past, this was included with the Maintenance budget.

Equipment Maintenance indicates an increase in SC100 replacement units and Hach Water Quality measuring equipment. It is no longer supported. The District has 49 of these units that require replacement. The plan is to replace them all over a span of two years.

Meter parts have been increased due to the Meter Readers performing repairs in addition to installs.

Materials includes consolidating backflow into one category.

Telemetry upgrades has been reduced due to the completion of many projects.

The Portable Ultrasonic Flow Meter has been installed therefore the budget was decreased to zero.

Osborn Hill to SCADA has also been completed and the budget reduced to zero.

Automated Measuring Stations is for the installation of remote read gauging stations on the canals. This helps with operations and is required by recent regulation changes to SB88.

Director Wilcox asked how many measuring stations have been installed.

Mr. Close replied six, and with this budget, five more should be installed.

Tank Water Filling Stations and Meters decreased to focus on just replacing the existing meters.

North Auburn Lab is experiencing increased operating expenses due to increased regulatory fees and costs.

Maintenance Agreement – SCADA copier decreased due the Electrical department's ability to maintain the equipment internally.

Cellular Meter Data Charges increased due to transition to cellular meters.

Electronic Statements/ Bill Pay is a line item estimate for the District to research vendors and plan for electronic statements and bill pay.

The Fed/State/Co Fees section experienced an increase mainly due to increased regulatory fees.

Office Supplies experiences an increase due to the transition from bimonthly to monthly billing.

The Utilities increase reflects the estimated fuel needed for the Siphon Lane Pump station in the event of an emergency.

Equipment purchases decreased due to the successful completion of a majority of the 2018 work.

Mr. George Olive, member of the Public, addressed the Committee regarding the Conservation items within the budget.

He asked about the conservation budget within the 2017 budget. He could not see any amounts for conservation.

Mr. Close replied, the budget items for conservation in previous years were located throughout the budget and this year it was consolidated for ease of tracking and clarity for everyone.

Mr. Olive asked about the District conservation items in another section of the budget. Is this section for the District's paid efforts in conjunction with other agencies such as SYRCL or are they rate payer District driven conservation efforts?

Mr. Close replied it is a mix of both.

Mr. Olive inquired if the school assembly was in conjunction with another agency.

Mr. Close said in 2018 it was, although not in 2019.

Mr. Olive asked if the water audits are in conjunction with another agency.

Mr. Close said these are State mandated water audits and the District has to hire a third party to review and validate the audit.

Mr. Olive then asked about the Water Efficiency Workshops and who they are geared towards treated water or Ag water.

Director Wilcox replied mostly the Ag sector.

Mr. Close added this is to support two irrigation seminars the District hosts annually and is performed in house by the District.

Mr. Olive added for raw water efficiency?

Mr. Close said yes it touches on both although mainly raw water.

Mr. Olive then asked about the Landscape Demonstration Project. Is this anticipated for treated water, raw water or both?

Mr. Close responded it is anticipated to be treated water. The District's Demonstration Garden out in the front was the beneficiary the last time around. Next year the plan is to expand the Demonstration Garden from the sidewalk to the road.

Mr. Olive then asked if the District plans on any grant funding for 2019 conservation activities.

Mr. Close said the District is always looking for grant funding.

The Water & Hydroelectric Operations Committee recommends forwarding the 2019 Preliminary Operations Department budget to the Administrative Practices Committee for further review.

Preliminary 2019 Hydroelectric Department Budget

Mr. Keane Sommers, Hydroelectric Manager, presented the 2019 Hydroelectric Administration, Operations and Maintenance budget to the Committee.

The Hydroelectric Department budget does not have any changes in the current number of personnel. In 2018, the Board of Directors approved changes to the Compliance section. This is reflected in a 2018 midyear salary increase. Mr. Sommers also shifted a Machinist to a Technician based on workload and demand.

Mr. Sommers said there are minimal changes to most categories. There are reclassifications due to improved visibility and tracking of expenses especially within the Utilities.

Some of the funds moving is the continued adjustment from the Hydroelectric Department transitioning from one large department into three smaller departments.

Mr. Sommers focused on two major things. One is the computerized maintenance system. The plan for 2018 is to define all the facilities and equipment and then focus on procedures. The other is compliance driven, Cal ISO, NERC and WECC services. The most significant increase is for dam safety fees. Mr. Sommers predicted a 10 percent increase. DSOD, California Department of Dam Safety, has added two new branches, a Spillway and Inundation. Mr. Sommers said the 10 percent projected increase might not be enough. FERC compliance concerning writing correspondence is another area and additionally occupies a lot of Staff time.

Director Will Morebeck asked if the Staff's correspondence time has been tracked.

Mr. Sommers said he has not and may be something to look into.

Compliance is a requirement. There are currently two people solely working on compliance and reporting to the agencies. The Dam Safety Engineer is also affected as well as the Management Assistant.

The Committee briefly discussed how rapidly compliance was changing and generating powerhouse revenue as well as the current power climate.

Mr. Sommers reviewed the percentage changes to the categories of Salary 10.1%, Benefits 10.2%, Non Labor Operating 4.4%, Capital Project 14.6%, Transfer out 11.1% with an average increase of 9.5%.

There is an increase in the of monies Hydroelectric is transferring to Water.

There is a slight increase in the Admin Equipment Expense category due to the lease of a portable office to house the Compliance team. The Hydroelectric office has run out of space to house everyone.

The Maintenance section also seen a slight increase for a bucket truck rental. Mr. Sommers would like to track this for future reference to weigh options of purchasing versus renting.

Mr. Sommers said there is a significant increase in the Consulting/Contractor Fees due to the CMMS implementation. This was an increase of \$200,000. There is also a line addition for Dam Safety Support. This is to provide consultant assistance to the Dam Safety Engineer.

The Electrical Consulting/Contracting has leveled out reflecting a reduction.

Fed/State Co Fees increased due to the requirement for of the agencies.

Temporary Labor saw a reduction in the Admin section due to the addition of a Compliance position and eliminating a temporary position.

Mr. Sommers explained the increase in the Dues and Publications is for a membership to CEATI. The organization provides access to Dam Safety industry information as well as asset management. This vital information will save consulting funds in developing the District Management and Dam Safety programs.

Education, Training and Meals has decreased due to PG&E has relocated their training facility from San Ramon to Auburn thus saving the District traveling costs.

Utilities and Land Easement Purchases has decreased. Utilities due to the new chart of accounts allowing for better tracking. Land Easement Purchases is for the PG&E property under District facilities.

Equipment in general has decreased.

The Water & Hydroelectric Operations Committee recommends forwarding the 2019 Preliminary Hydroelectric Department budget to the Administrative Practices Committee for further review.

Hydroelectric Department Activities Update

Mr. Keane Sommers, Hydroelectric Manager, provided an update of the Hydroelectric Department activities:

- Outages
 - Scotts Flat
 - Line relay
 - Planned battery Replacement
 - Chicago Park
 - Brush Replacement
 - Dutch Flat #2
 - Brush Replacement
- Continued install of protective relay upgrade at Combie South and returned Combie South Powerhouse into service to make use of water from PG&E drawdown of Fordyce
- Installed new EAP radio equipment at Scotts Flat
- Focusing on Public Safety Plan signage
- Brush cutting on BS canal, helicopter landing areas, and upper division roads, clearing of logs off spillways and dams
- Troubleshooting of communication on Dutch Flat Flume, Found bullet hole, patched until planned replacement during annual outage

- New valve on Dutch Flat Afterbay fish release has failed, returned to manufacturer, design problem identified with installation, designer has accepted responsibility and is making repairs
- Installed digital pressure gage at Scotts Flat for efficiency testing, completed testing, preliminary results indicate unit functions as expected for a unit of this vintage but improvements are very possible
- Began installation work for balance of Plant PLC/vibration monitoring project at CPPH
- Working on modifications to Dutch Flat Flume Intake gate to respond to changing operational parameters
- Technician/operator training on new SCADA software
- Replaced Sawmill Dam orifice line using divers with NID staff support

Operations Department Activities Update

Mr. Chip Close, Water Operations Manager, provided an update of the Operations Department activities:

- **Distribution**
 - Raw Water turn offs
 - 183 non payments
 - Re-regulating canals after South Yuba Canal outage
 - System flows have peaked
 - Drained Loma Rica Reservoir in preparation for cleaning
- **Water Treatment**
 - Treated Water Production:
 - June 359 M.G.
 - July 430 M.G.
 - Filter valves Lake Wildwood
 - Crypto, UCMR4
 - Lab T&I Standards
 - Caustic Soda installation complete @ E George ready
 - Campground system continues to be a work in progress
- **Water Resources**
 - Water management continues
 - Testing backflow devices
 - PG&E agreements (Coordinating Operating Agreement)
 - Deer Creek
 - Wheeling Agreements
 - Working on backfilling positions
 - 2 Vacant Ops Techs

- **Electrical**
 - Updating data loggers
 - E. George caustic pumps
 - Power removed from the Bear Valley house

- **Customer Service**
 - Completed 2017 Audit
 - Doing validation
 - 4,500 Badgers installed
 - Leak detection off the charts