

**NEVADA IRRIGATION DISTRICT**  
**Administrative Practices Committee**

September 4, 2018

MINUTES

Committee Members Present: William Morebeck, Division IV  
John H. Drew, Division II

Committee Staff Members Present: Remleh Scherzinger, General Manager  
Greg Jones, Assistant General Manager  
Marvin Davis, Finance Manager/Treasurer  
Jana Kolakowski, Human Resources Manager  
Kris Stepanian, Board Secretary

Other Staff Members Present: Chip Close, Water Operations Manager  
Gary King, Engineering Manager

**Public Comment**

Marin Lipowitz, resident of Grass Valley, addressed the Committee regarding a map of the District prepared by Mike Pasner of Penn Valley. It was on display at the Nevada City Farmers Market and mentioned in an article in The Union newspaper. According to Mr. Pasner, the District drips herbicides into 350 miles of irrigation ditches, including 33 miles of natural creeks, and he has marked these locations on his map. Mr. Pasner has asked the public to take photos of NID workers spraying on ditches, banks and berms, in addition to drip boxes.

**Minutes of the August 7, 2018 Regular Meeting**

Approved as submitted.

Director Morebeck left the meeting at 9:05 a.m. and returned at 9:07 a.m.

**Preliminary 2019 Administration and Watershed Department Budgets**

Remleh Scherzinger, General Manager, presented the Preliminary 2019 Budgets for Directors (10113), Administration (10114) and Management (10115). The budgets are being held relatively flat or under for 2019. Other highlights included:

- 10114-52503 - OPEB is approximately \$300,000 less than 2018
- 10115-52603 - Consulting is approximately \$30,000 less than 2018
- 10114-52603 - Consulting is increased by \$6,500 to cover community outreach
- 10115-52609 - Temporary Labor is increased by \$30,000

Director Drew commented on labor costs going up.

Mr. Scherzinger added that it is an expanding issue for the District. The shield that temporary labor organizations, such as Rush and Blue Ribbon have provided the District is slowly disappearing.

- 10115-52915 - Projects-Non-Programmatic is \$2,000,000 less for 2019, as the Combie Project is no longer being carried in the Management budget

Mr. Scherzinger reported the following overall budget impact percentages:

<u>Budget Impact</u>	<u>% Change</u>
Salary	14.6%
Benefits	-9.5%
Non Labor Operating	0.5%
52915 Capital Project	-58.3%
Total	-16.6% under last year's budget

Greg Jones, Assistant General Manager, presented the 2019 Preliminary Budget for Watershed (10116).

- 51101 - Salary increase of approximately \$10,000
- 52603 – Consultant increase of approximately \$586,000 due to a number of grant programs coming on line in 2019. This figure reflects expenses only, not the offsetting grant revenues.

Discussion ensued regarding watershed projects and incoming grants.

- 52609 – Temporary Labor increase of \$5,000 is estimated, to cover anticipated increased temporary labor expenses for 2019

Public Comment:

Syd Brown, member of the public, inquired about \$175,000 increase for miscellaneous consulting shown on the Preliminary 2019 Administration Budget.

Mr. Scherzinger explained that some is for the Raw Water Master Plan work and for support of ongoing studies for legislative activities and water rights.

### **Preliminary 2019 Finance Department Budget**

Marvin Davis, Finance Manager/Treasurer, presented the Preliminary 2019 Budgets for the Finance Department, which include Information Technology (10118), Accounting (10135) and Purchasing (10193). Labor increases are occurring due to annual COLA and normal career step increases. The budgets are being held relatively flat or under for 2019, other than Capital portion. Highlights included:

- 10118-52915 – Financial System and CMMS (Computerized Management Maintenance System) upgrades show an increase of \$2,250,000
  - Notes indicate 50% of each to be subsidized by Hydroelectric Division

<u>Budget Impact</u>	<u>% Change</u>
Salary	8.7%
Benefits	13.5%
Non Labor Operating	-6.7%
52915 Capital Project	450%
<b>Total</b>	<b>69.8%</b>

Discussion ensued regarding the need for upgrades to financial system and CMMS System.

**District Policy 3100 - Budget Amendment Authority Levels**

Marvin Davis, Finance Manager/Treasurer, presented the item. The updates will help to clarify some of the wording in the policy and to provide clearer definitions within the policy, such as the difference between a budget transfer and a budget increase.

Public Comment:

Syd Brown, member of the public, commented on the General Manager's authorization level, and asked if the Committee knew what the General Manager discretionary spending limits are at other similar irrigation districts.

Remleh Scherzinger, General Manager, explained that the Board approved the limit of \$600,000 years ago. It is a cumulative event, and the General manager can only approve up to \$100,000 under one authority.

Ms. Brown asked for an example or clarification of an event.

Mr. Scherzinger provided some examples of items approved by the General Manager, including authorizing of budget transfer for Centennial Audit and consultant for disadvantaged communities survey.

Public Comment:

Marin Lipowitz, resident of Grass Valley, commented that it is unknown how Centennial Reservoir will be paid for.

The Committee unanimously agreed to advance a recommendation to the Board of Directors to approve updates to District Policy 3100 – Budget Amendment Authority Levels. (Consent)

**IT Consulting Professional Services Agreement (PSA)**

Marvin Davis, Finance Manager/Treasurer, presented the item.

The Consultant that the District is seeking (Panorama Consulting Solutions ) will replace the current Financial Management System (Pentamation) with a new Enterprise Resource Planning (ERP) system.

In accordance with Procurement Policy 3080, staff issued a Request for Proposal (RFP) soliciting vendors to provide the following IT services:

- 1) Analyze and document District's current business processes recommending efficiencies and automation considering migration to new ERP and CMMS system
- 2) Develop RFP for new ERP system, evaluate responses and participate in selection of new system/vendor(s)
- 3) Serve as District's IT project lead during migration coordinating with District IT staff/consultants and ERP vendor(s)
- 4) May be required to provide other IT related duties, report writing, database administration, helpdesk, etc.

Director Drew asked if Panorama Consulting Solutions has experience with exiting out of Pentamation.

Mr. Davis replied that they are familiar with Pentamation and many other systems. The District is also assembling an in-house team that will also work with Panorama Consulting Solutions.

Director Morebeck commented that Exhibit B shows cost/fee per position, and asked how the District will know who will respond to requests and who watches that?

Mr. Davis explained that their goal is to keep under the \$250,000 limit, and it will also be monitored by District staff.

Director Drew commented on the stages shown in the project timeline and the Committee reviewed the timeline.

Mr. Davis commented that District Council has also reviewed Exhibit A.

The Committee unanimously approved the Information Technology (IT) Consulting PSA and budget amendment, and authorized the General Manager to sign the agreement.

**New Job Description – Environmental Resources Administrator**

Jana Kolakowski, Human Resources Manager, presented the item and explained the need for the new job description.

Greg Jones, Assistant General Manager, added that there is a lot of work going on in the Watershed Department, and it is going to keep growing. The new classification will better align Neysa King's position with overseeing the activities and staff in that department.

Remleh Scherzinger, General Manager, explained that this position is based on need.

Public Comment:

Syd Brown, member of the public, said that she is pleased to see a Watershed Department, watershed functions, and to hear of its intended growth. She added that the salary increase may not be sufficient for the amount of work and responsibility, and would like the watershed responsibilities to be recognized by its salary.

Public Comment:

Marin Lipowitz, resident of Grass Valley, commented on references in the job description to community collaboration, including identifying alternative solutions and communicating consequences of actions; collaboratively implement recommendations; research and respond to requests for information, inquiries or complaints from the public; and develop, implement and participate in watershed education and community watershed outreach programs. She encouraged a community committee, that actively includes members of the community looking for alternatives, specifically to chemicals being used on the ditches. She encouraged inviting the community in and tapping into their wealth of knowledge.

Mr. Scherzinger replied that the Maintenance and Resources Management Committee is open to the public and meets every month. The public is welcome to attend these meetings and speak to the committee.

The Committee unanimously agreed to advance a recommendation to the Board of Directors to approve the New Job Description of Environmental Resources Administrator. (Consent)

**Sierra Nevada Conservancy Grant Request for the Scotts Flat Reservoir Fuels Treatment Phase 4**

Greg Jones, Assistant General Manager, presented the item.

The District is applying for a \$981,000 grant from the Sierra Nevada Conservancy (SNC) for the Scotts Flat Reservoir Fuels Treatment Phase 4. He provided a brief description of the previous phases:

1. Biomass project with SNC at Scotts Flat
2. Fuel reduction application on north and south ends of Deer Creek on Cascade Shores and Campground 1 area of Scotts Flat
3. Fuel Treatment - Cascade Shores

The Scotts Flat Fire Fuels Reduction Project Phase 4 is a 400-acre area that will treat approximately 300 acres. District staff and forester are presently on site flagging areas to provide a more detailed map for SNC of where work will occur. The area has been toured and looked at by SNC. Fuel and fire treatment is needed in this area, which is along the southern edge of Scotts Flat, and the northern edge along Casci Road and down to the reservoir.

Director Drew asked if the District was interfacing with Joanne Drummond.

Mr. Jones replied that the District was interfacing with her at PG&E and also with the Fire Safe Council.

Director Morebeck inquired about the lumber.

Mr. Jones replied that lumber prices are going down.

Discussion ensued regarding timber sales, reduction in buyers, fires, and full mills.

The Committee unanimously agreed to advance a recommendation to the Board of Directors to adopt a resolution, approving a grant application of \$981,000 to the Sierra Nevada Conservancy for the Scotts Flat Reservoir Fuels Treatment Phase 4. (Consent)

Public Comment on Closed Session Item

Marin Lipowitz, resident of Grass Valley, asked if dam safety was part of the security concerns in the closed session item.

Remleh Scherzinger, General Manager, replied that it was not.

Meeting recessed at 9:55 a.m. and reconvened in Closed Session at 10:05 a.m.

Closed Session was declared at 10:05 a.m., pertaining to threat to public services or facilities (Government Code § 54957(a).) Consultation with General manager and Dustin Cooper, District Council (via teleconference) on matters posing a threat to the security of essential public services provided by Nevada Irrigation District.