

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

January 27, 2010

The Board of Directors of the Nevada Irrigation District convened in regular session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 27th day of January, 2010 at 9:00 a.m.

Present were W. Scott Miller, President; Nancy Weber, Vice-President; John H. Drew, Jim Bachman and Nick Wilcox, Directors.

Staff members present included Ron Nelson, General Manager; Tim Crough, Assistant General Manager; Marie G. Owens, Finance Manager/Treasurer; Don Wight, Operations Manager; John Kirk, Maintenance Manager; Gary King, Chief Engineer; Yvonne DuBose, Human Resources Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

MINUTES – January 13, 2010 Meeting

Approved the Minutes of the Board of Directors' meeting of January 13, 2010, as submitted. M/S/C Drew/Weber

EMPLOYEE RELATIONS – Mathe Retirement (Res. No. 2010-02)

Under the Consent Agenda, the Board adopted Resolution 2010-02 (Resolution of Appreciation upon Retirement – John Mathe) after 16 years of service to the District. M/S/C Drew/Weber

ANNUAL DISCLOSURE OF REIMBURSEMENT (Res. No. 2010-03)

Adopted Resolution No. 2010-03 (Annual Disclosure of Reimbursement to Employees and Directors). M/S/C Drew/Weber

2010 WATER CONSERVATION PLAN

Director Wilcox requested that this matter be pulled from the consent agenda for discussion.

January 27, 2010

Don Wight, Operations Manager, explained that the District's 2010 Water Conservation Plan was presented to the Water and Hydroelectric Operations Committee. The Committee recommended that the Plan be advanced to the Board of Directors as presented.

**NEVADA IRRIGATION DISTRICT
2010 WATER CONSERVATION PLAN SUMMARY**

1) Treated Water

- a) Adopt Best Management Practices (BMPs) per the California Urban Water Conservation Council
- b) BMPs meet requirements in Assembly Bill 1420 for State loan and grant eligibility. District projects include the following:
 - i) Cement Hill Loan
 - ii) Mercury Remediation
 - iii) Water Efficiency Grant
 - iv) Future grants
- c) BMPs will likely be a requirement of Senate Bill 7X 7, aka 20X2020. Multiple pathways for compliance, including an incentive-based option to be developed by DWR by Dec. 31, 2010
 - i) District treated water consumption is 210 GPCD (gallons per capita per day)
 - ii) State target for 2020 is 154 GPCD or 20% reduction of the GPCD
 - iii) 20% reduction of current District consumption is 168 GPCD

2) Irrigation Water 2010 – continuation of the District's existing irrigation water conservation measures

- a) Irrigation Management Workshops – four workshops (two in Nevada County and two in Placer County) providing hands on demonstration classes designed to help irrigation water customers be more efficient in their water use
- b) Soil moisture monitoring – continue the soil moisture monitoring program for vineyards and orchards in the District service area.

3) Irrigation Water 2011 – CABY Grant Proposal is a collaborative effort between EID, PCWA, RCD and NID - requires 50% match of funds from the District.

- a) Irrigation Management Workshops – nine workshops (three in Nevada County and three in Placer County) providing hands on demonstration classes designed to help irrigation water customers be more efficient in their use of water
- b) Water use surveys of large water users – three to six large water users in each water agency participate in a water audit, initiate recommendations and follow up analysis of water savings. Target group is schools, parks and golf courses.
- c) Expanding the weather station and soil monitoring network – install six weather stations across the CABY region and to expand the number of sites monitored by soil moisture sensors in the NID and PCWA service areas. Four potential weather station sites have been identified in the District service area; Grass Valley, Nevada City, Penn Valley and Lake of the Pines

January 27, 2010

- 4) SB 7X 7 requires development of agricultural water management plans by Dec. 31, 2012
 - a) Continue to work with CABY and the Sierra Water Workgroup to influence the development of irrigation water BMPs that will be incorporated into SB 7X 7

Mr. Wight stated that the District has met some of the BMPs, but not most of them. The objective is to meet the BMPs in the Summary as presented.

Director Drew stated that it would be appropriate to integrate the satellite data that is available so that a parallel tracking program could be developed. The District would be able to rely more on the satellite data as opposed to the weather stations, etc.

Director Weber stated that for the last year or so, she has been asking Staff to coordinate with Natural Resource Conservation Service (NRCS) regarding grant funding for infrastructure. She stated that this was not included in the Water Conservation Plan. She met with Katie Burdick, Executive Director of Cosumnes, American, Bear and Yuba (CABY) Watershed Group, and she was unaware that there was money available from NRCS.

Mr. Wight stated that he has been in contact with Lesa Osterholm and she is investigating opportunities.

Director Weber stated that she works for the Nevada County Resource Conservation District, not the NRCS. She stated that the Conservation Plan is tied to water rates. The District needs to assist some of the big users to conserve water, and help with funding infrastructure. When possible, the District should use grant funding.

Director Wilcox stated that he noticed that compliance with the BMPs requires the position of Conservation Coordinator, and that an employee from the Operations Department would be moved to this position, thereby leaving a void in the Operations Department. Eventually, the Operations Department position would need to be filled, and it seems to him that the budget estimate is somewhat unrealistic if the position will be backfilled.

Mr. Wight stated that the budget estimate presented is for 2010. In 2011, the budget may "look different." The idea was to pull an employee from the Operations Department and determine what the burden will be. If the position is not backfilled, there would be a loss of customer service, response time to emergencies and overall coverage of the distribution system.

Director Wilcox stated that Mr. Wight makes reference to a Conservation Coordinator, but there is also reference to a District Water Efficiency Steward and a Water Conservation Steward. He asked whether these referred to the same person.

January 27, 2010

Mr. Wight confirmed that these were in fact the same person. The Water Conservation Coordinator is the title from the Urban Water Conservation Council; however, the District does not have to use that title. There have been discussions about this position in the past, so this is not a new idea for the District. In those discussions, Water Efficiency Steward was the title that was preferred, so he used this title in the overview.

Director Wilcox stated that there has also been discussion regarding adding a position with the title of Watershed Coordinator. He asked Mr. Wight to explain how the Water Efficiency Steward is similar to or different from the Watershed Coordinator.

Ron Nelson, General Manager, explained that from his perspective, the most important distinction is that a Water Efficiency Steward provides a service (internal) to the District's patrons. His view of a Watershed Coordinator would be more of an external service, interacting with the State, watershed groups, landowners, etc.

Director Wilcox asked if the responsibilities of the Water Efficiency Steward would include interacting with large agricultural users to work with them on water conservation measures, as Director Weber had mentioned earlier.

Mr. Wight responded in the affirmative.

Director Wilcox asked if this position would also work on formulating the Agricultural Water Management Plan that is called for in Senate Bill 7x 7.

Mr. Wight stated that the Plan will need to be developed by December 31, 2012. He does not believe that the Water Efficiency Steward would be solely responsible for developing the Plan. However, this position would administer the program.

Director Wilcox stated that he pulled this matter from the consent agenda because this is a very important topic. The public deserves to hear about the Water Conservation Plan.

Director Weber requested that Mr. Wight provide the Board with feedback regarding his contacts with NRCS.

Adopted 2010 Water Conservation Plan to include adoption of Best Management Practices for treated water per the California Urban Water Conservation Council, raw water irrigation workshops and irrigation water soil moisture monitoring. M/S/C Bachman/Drew

President Miller reminded Staff to provide the minutes from the Committee if an agenda item is being placed on the consent agenda.

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 22417 through 22454, inclusive; General Fund Revolving Account Nos. 49005 through 49196;

January 27, 2010

Recreation Fund Nos. 2178 through 2190, inclusive, No. 2100 being void; and Payroll Direct Deposit and Warrant Nos. 52656 through 52832. M/S/C Bachman/Weber

RANCHERO GROUP TREATED WATERLINE EXTENSION PROJECT – Preliminary Review & Initial Study (Res. No. 2010-04)

Tonia Tabucchi Herrera, Associate Engineer, presented the Preliminary Review and Initial Study for the Rancho Group Treated Waterline Extension Project. Robertson-Bryan, Inc. prepared the Study.

Proposed Project Background:

- Property owner initiated Project
- Well production poor or dry
- Interest in District service (raw or treated)
- Community Facilities District/Assessment District Project

Study Area:

- East Hacienda
- West Hacienda
- Pioneer Way
- Salada Court
- Knolls Drive
- Rancho Way
- Salt Creek Road
- Surrey Drive
- Retherford Road
- Serene Hill Court
- Magnolia Road
- Wayfarer Court

Study Area:

- Inclusive of all options
- Installation of approximately 36,500 feet of new water lines (6-inch, 8-inch and 12-inch)
- Fire hydrants
- Water meters
- Air Release Valves and Blow Offs
- Valves

Review Period and Notification:

- Public Review Period – December 14, 2009 through January 18, 2010
- Notifications mailed to property owners
- Notice of Intent posted at Nevada County Clerk's office
- Initial Study/Mitigated Negative Declaration submitted to State Clearinghouse
- Notice of Intent and Initial Study/Mitigated Negative Declaration provided to Local and Federal agencies
- Notice of Intent was published in the Auburn Journal and The Union newspapers

January 27, 2010

Overview of Proposed Mitigation:

- Biological flowering studies were conducted during bloom season 2008 (additional studies will be conducted on inaccessible private property prior to construction)
- Cultural Inventory was conducted by Far West
- Conduct Environmental Awareness Training
- Conduct pre-construction surveys for specific species
- Implement Emission Controls during construction
- Construction oversight by qualified archaeologist

President Miller asked if the creeks that would be crossed would be ephemeral creeks.

Ms. Herrera explained that Staff has two options: 1) trenchless construction whereby bore pits would be dug up to 50 feet away from the stream and digging would occur underneath the stream without disturbing the creek bed; or 2) open trench construction going underneath the creek bed (requires permitting from the Army Corps of Engineers and the Department of Fish and Game). She stated that when she visited this area in the summer, there was water in these creek beds.

President Miller opened the public hearing.

Hearing no testimony, President Miller closed the public hearing.

Ms. Herrera informed the Board that the District received a letter from the State Clearinghouse indicating that there was no State agency correspondence on the Project. Also, Staff received an e-mail from the US Fish and Wildlife Service indicating that they are comfortable with the Mitigated Negative Declaration and the proposed mitigations.

The Board Secretary confirmed that the District received no other correspondence.

Director Drew referenced page 54 and the section titled Common Wildlife Species. At the end of the paragraph mule deer is listed. He asked if the black-tail deer is a sub-species of mule deer.

Director Drew also referenced page 58, last paragraph, regarding the California Red Legged Frog: "However, the presence of predators (i.e. large fish and bullfrog may reduce the likelihood that California Red Legged Frog are present at the pond." He stated that discussion should be included in future environmental reports regarding predators being described as introduced, non-native predators.

Director Bachman asked if the Rodeo Flat Waterline Project is near this Project.

Ms. Herrera responded in the affirmative.

January 27, 2010

Director Bachman asked if these two Projects are tied together in any way.

Ms. Herrera stated that both Projects would be fed by the same water treatment plant.

Director Wilcox asked when construction for the Project would commence.

Ms. Herrera stated that funding issues must be dealt with first, so Staff anticipates construction will commence in 2011.

President Miller pointed out that the Project must be voted on by the neighborhood. If the vote fails, the Chief Engineer has assured him that this would be a Project that has completed the California Environmental Quality Act (CEQA) process, and can be "placed on a shelf" until the District is ready and able to move forward.

Director Wilcox referenced page three, number five in the Notice of Determination: "Findings were not made pursuant to the provisions of CEQA." He asked if this is true, because in the Resolution, it is specifically stated that the Board finds that there is no substantial evidence on the record that there is an impact.

Jeff Meith, District Counsel, stated that item five refers to findings of significance that were not made in terms of CEQA. He agreed with Director Wilcox that the grammar used in this statement is "not the best." He suggested that in the future, one Notice of Determination be presented for a Negative Declaration and a separate Notice of Determination with different wording be presented for an Environmental Impact Report. He added that the findings in the Resolution are related to the findings the District must make in order to adopt a Negative Declaration.

Tami Mihm, Senior Scientist, Robertson-Bryan, Inc., explained that the findings referred to in the Notice of Determination under CEQA would be with an Environmental Impact Report where the District must make individual findings on each of the impact statements, significant or not significant, and documenting the decision making process.

Director Weber stated that there is no mention of the zoning or lot size in the Project description. In this description, the lots are described as large. It is important for the Board members to know that bringing water to a project may have some influence on zoning and lot sizes. This is a significant component to an Initial Study project description.

Ms. Herrera stated that the zoning and lot sizes are discussed on page 98. Noting Director Weber's concern, in the future, she will include the lot sizes in the project description.

Gary King, Chief Engineer, stated the County controls the zoning. If zoning is placed in the project description, and the County changes the zoning, then the description would have to be redone.

January 27, 2010

Ms. Herrera stated that she believes there is a section in the project description under existing conditions where Staff can describe the parcel sizes and zoning, while addressing Director Weber's concerns and Mr. King's concerns.

Mr. Meith clarified that zoning is not part of the project description, but part of the setting. There is a difference.

Director Weber requested that early on in the Initial Study, the zoning and lot sizes should be stated so that one does not have to read an entire report to obtain that information.

Director Weber asked for a timeline for the Project.

Ms. Herrera explained that formation of the assessment district or community facilities district will take about one year. The plant study will occur when the project layout is determined. The study will be done seasonally and prior to construction.

Director Drew referenced page 61 regarding the discussion on bats. He pointed out that recently, in the southwest United States, the bat population has been infected by a fungus that is developing on their facial profiles that is causing the bat populations to completely collapse. The biologists predict that this will infect all of the bat populations globally. This would be significant. He requested that in the future, as a component of the environmental documents, the last known siting of a species be included.

Adopted Resolution No. 2010-04 (Adopting a Mitigated Negative Declaration, and Approving the Project and Mitigation Monitoring and Reporting Program for the Rancho Group Treated Waterline Extension Project). M/S/C Drew/Weber

Director Wilcox stated that the Project appears to be positioned between the Lake of the Pines Water Treatment Plant and the Loma Rica Water Treatment Plant. He asked if construction of this Project will close the gap between these two Plants in order for the District to regionalize the system.

Mr. King stated that master planning has been done. On Brewer Road, the system ends on a terminus of a six-inch waterline. That would connect to a future project in the Lodestar area that is scheduled to be completed in 2013. Nearby is the South County Project which wraps around the Rancho Group Treated Waterline Extension Project. Below this Project is the Lake of the Pines Water Treatment Plant. Staff has modeled taking treated waterlines from Alta Sierra to the Lake of the Pines Water Treatment Plant. The District is "close to closing the gap, but not there yet." If the projects "drop out," Staff has included future budget schedules to possibly interconnect the projects.

Director Wilcox pointed out that although the Rancho Group Project benefits the local property owners, the District has an interest in terms of regionalizing the system.

January 27, 2010

Director Weber stated that when District projects are presented to the Board at the CEQA level, she will be asking for potential costs of the project. She realizes the costs will be a "ball park figure," but the Board needs to be aware of the costs in order to maintain a tight budget.

Mr. King explained that the cost per parcel is approximately \$50,000. The proponents of the Project indicated that this is high. The intent was to conduct CEQA and complete a design-build for the Project in order to obtain the "real" costs. Typically, an assessment district or community facilities district is formed first, and CEQA is performed after the formation of the district. This process was done differently for this Project in an effort to find ways to resolve and work with the property owners.

Ms. Herrera stated that the total cost of the Project is approximately \$6 million.

CEMENT HILL WATER SUPPLY PROJECT (Community Facilities District No. 2007-1)-
Property Acquisition

Matthew Crowe, Senior Right-of-Way Agent, stated that he is requesting to continue right of way acquisitions for the Cement Hill Water Supply Project. Staff has undertaken acquisition activities for certain easements as they have been identified. After several weeks, and in some cases, months, most often Staff is able to come to agreement through discussions with property owners. When an acquisition through negotiation is not reached for various reasons, the District may need to pass a Resolution of Necessity. The Resolution of Necessity allows Staff to invoke the authority of eminent domain. Prior to that, Staff wants to allow the property owners to present their perspective and concerns to the Board. The Board must also have the opportunity to consider the necessity of the Project, and provide guidance and authorization as deemed appropriate.

Mr. Crowe's objective is to provide the Board with sufficient information regarding the Project and the need for providing Notices of Intent to the property owners. As always, Staff continues to be available for negotiations and discussions with the property owners.

Mr. Crowe informed the Board that Assessor's Parcel Number 04-060-49 should be removed from the recommended action because the property owners agreed to the District's offer and signed earlier this week.

Within the Cement Hill Water Supply Project, there are approximately 85 acquisitions needed, 30 of which are in negotiations. In the interest of preserving the Project schedule and maintaining the flow of the process, there are two parcels that are not proceeding to closure through negotiations.

Authorized the General Manager to issue Notices of Intent (NOI) to consider commencement of eminent domain proceedings for Assessor's Parcel Numbers 04-051-07 and 04-051-08 within the Cement Hill Water Supply Project. M/S/C Bachman/Drew

January 27, 2010

LOWER CASCADE CANAL / BANNER CASCADE PIPELINE PROJECT – Easement Acquisition

Matthew Crowe, Senior Right-of-Way Agent, stated that the District has acquisitions that have been in the negotiation process for several months. There will be approximately 70 acquisitions, of which 50 are currently in the negotiation process. In order to preserve the Project schedule, Staff needs to continue with the acquisition process.

Director Weber expressed concern with a couple of parcels. She has a letter from Jim Chambers dated in July 2009 regarding trees. It would be hard for her to vote on this matter unless there was any way the trees on his property could be saved. She asked if there is an option.

Brian Powell, Project Manager, stated that he responded to Mr. Chambers. Based on the design going down Wings of Morning Drive, the Project has been pushed to the north side of the road to avoid the southern side where the trees are located. Staff tried to minimize the impact as much as possible. There are a few trees that are along the temporary construction easement and Staff will also try to avoid those trees if possible.

Director Weber inquired about the Lawrence Weilman property. That is a “pretty steep” bank along Wings of Morning Drive. She asked if the contractor will cut into that bank some more.

Mr. Powell answered in the affirmative, and stated that this is part of the design. On the north side of the road, the bank will be cut into, the pipe will be installed, and the bank will be restored as well as the road. Construction will be maintained within the permitted easement.

Director Weber asked if the acquisitions would be temporary or permanent easements.

Mr. Powell stated that both types of easements would need to be acquired.

Director Weber requested that in the future this information be included in the Staff Report.

Mr. Crowe reiterated that the purpose of the Resolution of Necessity will be to present to the Board a full, detailed presentation as to each parcel, and to allow the Project Engineer to describe the impacts and the restoration efforts.

Mr. Crowe explained that typically, the District attempts to remain in the road corridor with a permanent easement. Temporary easements are located away from the road corridor and are typically restored upon completion of construction.

Director Wilcox asked if the temporary easement is the 30-foot wide easement.

January 27, 2010

Mr. Crowe stated that the 30 feet on the map is the existing road right of way that currently encumbers the property for private access and utilities, etc. The District is seeking to acquire and perfect the rights necessary to install, maintain and operate the pipelines.

Authorized the General Manager to issue Notices of Intent (NOI) to consider commencement of eminent domain proceedings for Assessor's Parcel Numbers 37-100-75, 37-100-83, 37-170-44, 39-080-13, 39-080-14, 39-080-15, 39-080-17, 39-100-29, 39-100-36 and 39-300-13 within the Lower Cascade Canal / Banner Cascade Pipeline Project. M/S/C Drew/Wilcox

MT. VERNON ROAD SIPHON PROJECT – Easement Acquisition

Adrian Schneider, Project Engineer, stated that the Combie Ophir IV Canal leaks and trees topple over causing flooding to downstream properties. Therefore, the Mt. Vernon Road Siphon Project is underway, and easement acquisitions are necessary.

Project Timeline:

- March 2007 – Initial Public Meeting
- June 2007 – Start Environmental Process
- February 2008 – Preliminary Design Completed
- October 2008 – Second Public Meeting – Environmental Studies Completed
- November 2008 - Board Accepts Project
- December 2008 – Detailed Design Start
- July / August 2009 – Site Inspections and Appraisals
- July 2009 – 100 percent Design Plans
- October / November 2009 – Start of Submission of Offers

Anthony Rondoni, Right-of-Way Agent, stated he is asking the Board to consider authorizing the General Manager to issue Notices of Intent to seven property owners. Twelve easement acquisitions are necessary for the Project, and a temporary construction easement will be needed as well. Five easements have been acquired to date. First written offer packages were mailed in October 2009 and Staff has been in negotiations since that time. The property owners were also provided the opportunity to obtain their own appraisals if they were dissatisfied with the value the District came up with.

Subsequent to sending first offer packages, numerous telephone calls were made and meetings were scheduled to meet with individual property owners and dialogue will continue. There is a Federal funding component to this Project, and in the interest of preserving the construction schedule, now would be a good time to issue Notices of Intent. He reminded the Board that Notices of Intent do not start eminent domain proceedings. The Notice advises the property owner that the Board will consider commencement of eminent domain proceedings.

Director Drew asked why there is a Federal funding component.

January 27, 2010

Mr. Schneider explained that the District obtained a Federal grant from the Resource Conservation District (*after the meeting Mr. Schneider clarified that the grant was from the Bureau of Reclamation*) in the amount of \$300,000. Staff has already asked for the grant to be postponed for six months. He would like the Project to be completed in 2010, and informed the Board that the District cannot continue to ask for the grant funding to be postponed.

Director Weber asked Mr. Schneider what the total cost of the Project will be.

Mr. Schneider stated that the total cost of the Project is between \$2 and \$3 million.

Director Weber asked how many of the property owners participated in a well testing program.

Mr. Schneider stated that one property owner shown on the figure is participating in a well testing program. This property (Assessor's Parcel No. 038-032-003) is about 300 feet from the Canal and the property owner's well is located near the Howard Ditch. The Howard Ditch is fed from a District service box. Thereafter, it is a private ditch maintained by the property owners. The District will provide a manifold from the new pipeline for improved water service to this area.

Director Weber asked if the one property owner (Tamietti) that is participating in the well testing program will lose her water supply as a result of the District's Project.

Mr. Schneider stated that the Project will not impact or change the water supply to the Howard Ditch.

Director Wilcox asked if the California Environmental Quality Act (CEQA) document has been adopted for this Project.

Mr. Schneider informed the Board, that the CEQA document was adopted November 12, 2008.

Director Bachman stated that it does not appear to him that canals are being terminated, but that pipeline is being added.

Mr. Rondoni stated that the service box on the Howard Ditch will remain in place. There will be an alternative service manifold included in the Mt. Vernon Road Siphon Project to serve those property owners on the Howard Ditch.

Director Bachman asked how the District is conserving water with this Project.

Mr. Rondoni explained that the Canal has oak trees and is on a steep slope. When the rainy season occurs, the oak trees fall, and the Canal berm breaks causing flooding to property owners downstream. This Project is an opportunity to improve public safety and to reduce the maintenance and operational costs for the District.

January 27, 2010

Director Bachman stated that the District needs to capture as many conservation credits as possible.

Authorized the General Manager to issue Notices of Intent (NOI) to consider commencement of eminent domain proceedings for Assessor's Parcel Numbers 038-280-022, 038-032-078, 051-080-081, 051-080-082, 051-080-037, 038-032-003 and 038-032-007 within the Mt. Vernon Road Siphon Project. M/S/C Wilcox/Bachman

President Miller complimented Mr. Crowe on making improvements to the introduction of the Notice of Intent letter.

MERCURY REMEDIATION PROJECT – Preview of Video

Tim Crough, Assistant General Manager, provided the Board a viewing of the video produced for the District's Mercury Remediation Project. This video will be used when meeting with legislators to discuss appropriation requests.

The Board applauded Staff for their efforts on the video.

Ron Nelson, General Manager, reported that he and Mr. Crough met with Senator Feinstein's staff in San Francisco to discuss appropriation opportunities. They have been very helpful in guiding the District through this process. Mr. Crough has submitted a request to their office for funding from the Environmental Protection Agency's budget.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) – Article on Safety

Ron Nelson, General Manager, informed the Board that an article appeared in the recent addition of the CSDA publication regarding the District's safety program, particularly first-aid training. Nate Allen and Bob MacDonald were two District employees that were featured for their courageous efforts in saving lives. Mr. Nelson will provide the Board with a copy of the article.

DISTRICT'S EFFORTS TOWARD CONSERVATION

Ron Nelson, General Manager, stated that he acknowledges that the District has a "long way to go" with regard to conservation. He would also like to inform the Board that Staff is committed to doing everything possible in terms of conservation. He credited Don Wight, Operations Manager, for attempting to "grow" a conservation program during a time with a shrinking budget. Notwithstanding all of the shortcomings of the regulations, the District has made a "good start."

The Board applauded Mr. Wight's efforts.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – Strategic Planning

Ron Nelson, General Manager, reported that he will be participating in ACWA's Strategic Planning process on January 28 and 29. He is hopeful that a greater

January 27, 2010

sensitivity will be revealed regarding the Northern California and foothill concerns and responsibilities.

DIRECTOR BACHMAN – Report on Former Director R. Paul Williams

Director Bachman informed the Board that former Director R. Paul Williams (Division IV) recently suffered a minor stroke. He has been in the hospital and has had trouble speaking and swallowing. His speech has returned and he is able to swallow, and he came home January 25. His heart condition is very weak. He has indicated that he does not want any visitors.

CONSERVATION AND SUSTAINABILITY - Forum

Director Wilcox reported that there will be a forum in Nevada City at City Hall on February 9, 2010 at 7:00 p.m. on water sustainability. There will be a panel consisting of Steve Baker, Carrie Monohan, Jason Rainey, Steve Rotherth and himself. He has been asked to speak on water supply challenges facing the District and facing the State. In addition, he has been asked to comment on the declining Delta eco system and on the upcoming water bond. He added that he has been allotted ten minutes to speak on such an important topic.

Director Drew stated that he would like Director Wilcox to report back to the Board on the pending ecological collapse and what that means.

Director Wilcox stated that the focus is on fall-run Chinook salmon which up until now has not been an endangered species. That particular run of Chinook is now collapsing as has the winter-run and spring-run Chinook before it. This is of great concern. The other eco-system collapse that has been well documented relates to Delta Smelt, long fin Smelt and others. There is a great deal of speculation as to the causes of these collapses, one of which is the threat of introduced species. The system is changing in ways that we have control over, and in many ways in which we have no control over.

Director Drew stated that he has recommended on a number of occasions that the striped bass population be collapsed. He realizes that the tags on the striped bass pay the salaries of the Department of Fish and Game, so they are not interested in doing away with the striped bass because they would be doing away with part of their funding.

Director Wilcox stated that it is his understanding that the striped bass population is collapsing as well.

Director Drew stated that he was part of a biological assay study on the striped bass population in the 1970's. There are so many striped bass in the system and there are zonal reductions in the population, but overall, the striped bass population in the State of California is extremely healthy.

Ron Nelson, General Manager, stated that as the District evolves its planning processes, Staff reviews and evaluates what the water needs are and what the demand

January 27, 2010

and supply needs are going to look like over time. He thinks that one of the cornerstones of these discussions should be the District's sustainability and the District's ability to serve its patrons.

Director Wilcox stated that he will be participating on three other panels in the next couple of months.

Director Drew pointed out with regard to the introduced, non-native species, the Rainbow trout, which is native to streams of the Pacific Ocean, is not native to virtually all of the lakes and reservoirs in the Sierra Nevada's western slope. He noted that the trout eats Red Legged Frogs.

DISTRICT'S STORM RESPONSE PLAN

In response to Director Weber's request, Don Wight, Operations Manager, provided the Board with information on the District's Storm Response Plan.

Mr. Wight stated that the cause of the over toppings during these storms is brought on by excessive run-off water entering the canals. Tree branches, leaves and debris cause blockages. Trees also fall over and block the canals. If the trees are anchored to the berm, the root ball comes out of the berm, causing an immediate breach allowing water to come out of the canals.

As Staff sees the storms coming in, they remove any District irrigation water in the canals and open up spills in order to release the excess water that enters the canals. As the storms come through, the Operations Department begins patrolling the canals looking for fallen trees, leaves and debris. In most cases, they enlist additional employees to help with this effort. In 2006, the Maintenance Department and the Operations Department formalized a Storm Response Plan. Tim Nunnink compiled the Plan, and the Plan follows the incident command system that is institutionalized by the State Office of Emergency Services. This is not 100 percent failsafe. There are 450 miles of canals, and Staff cannot be everywhere all of the time. During the last series of storms, the District did not experience any serious over toppings of canals.

Director Weber stated that she requested this matter be discussed with the Board because the District received a second claim for a down hill property over a period of just a few years.

Director Weber asked if cleaning the trash racks is a high priority.

Mr. Wight responded in the affirmative and stated that the racks may be checked up to three times a day. There is an automated trash track on the DS Canal and Staff is evaluating the potential benefits of installing automatic trash racks elsewhere in the District.

January 27, 2010

CLOSED SESSION was declared at 10:50 a.m. pursuant to Government Code 54957.6 to provide direction to the District's designated bargaining representatives – Nelson, Crough, Owens, DuBose and Meith – regarding 2009/2010 salary/benefit/working conditions.

CLOSED SESSION was declared at 10:50 a.m. to discuss existing litigation with District Counsel pursuant to Government Code Section 54956.9; the name of the case is Robbins vs. Nevada Irrigation District, County Superior Court Case No. 75530.

CLOSED SESSION was declared at 10:50 a.m. to discuss anticipated litigation with District counsel pursuant to Government Code Section 54956.9.

MEETING RECONVENED in regular session at 11:40 a.m.

CLAIMS & SUITS – North State Diving, Inc.

Rejected claim by North State Diving, Inc. for unspecified damages relating to unpaid prevailing wages, penalties and/or interest, as untimely and without merit, as advised by District Counsel. M/S/C Drew/Bachman

MEETING ADJOURNED at 11:41 a.m. to reconvene in regular session on February 10, 2010, 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

January 27, 2010

Division III

Division IV

Division V
