

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

April 14, 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 14th day of April, 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; Don Wight, Operations Manager; John Kirk, Maintenance Manager; Gary King, Chief Engineer; Anthony Soares, District Counsel; and Lisa Francis Tassone, Board Secretary.

MINUTES – March 24, 2010 Meeting

Approved the Minutes of the Board of Directors' meeting of March 24, 2010, as submitted. M/S/C Drew/Weber

EMPLOYEE RELATIONS – Wight Retirement (Res. No. 2010-20)

Adopted Resolution 2010-20 (Resolution of Appreciation upon Retirement – Donald J. Wight) after 29 years of service to the District. M/S/C Drew/Weber

POLICY: Administrative Policies – Recruitment and Hiring and Equal Employment Opportunity Program (Res. No. 2010-21)

Adopted Resolution No. 2010-21 (Establishing Administrative Policies for Recruitment and Hiring and Equal Employment Opportunity Program, and Terminating Affirmative Action Policy). M/S/C Drew/Weber

SADDLEBACK NORTH WATER GROUP (SNWG) – Formation of Water Association

Approved Saddleback North Water Group's request to form a water association pursuant to Section 5.08 of the District's Water Service Rules and Regulations. M/S/C Drew/Weber

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EMPLOYEE RELATIONS – New Employee Introduction, Page

Tim Nunnink, Maintenance Superintendent, introduced Robert Page, Utility Worker I at the Placer Yard. Mr. Page resides in Smartsville, and is a graduate of Nevada Union High School. Mr. Page was previously employed with Sierra Pre-Build and brings to the District 17 years of construction experience. Mr. Page is no stranger to the District. He has completed three temporary employee assignments (two in the Operations Department and one in the Hydroelectric Division) over a period of 18 months. He comes highly recommended by his previous supervisors as a person with a strong work ethic. As an example of his determination, Mr. Page had applied for a Utility Worker I position at the District four times. He was successful this time. Mr. Page enjoys the outdoors.

The Board and Staff welcomed Mr. Page to the District.

EMPLOYEE RELATIONS – Paul, Retirement Presentation (Res. 2010-15)

Ron Nelson, General Manager, recognized JW Paul on his retirement after 6 years of service with the District. Mr. Nelson stated that like him, the Board is probably wondering why someone so young is retiring. Well, Mr. Paul likes cars – and he owns Fords. Anybody who has owned a Ford knows that it is a full time job to keep a Ford running. So, Mr. Paul plans on retiring from all of his hard work here at the District and devoting his time to working on Fords and restoring a Jeep. In addition, he will be traveling. Mr. Nelson asked if Mr. Paul was going to use a different car than a Ford to travel.

Mr. Paul stated that he will be using his Ford truck to tow the trailer.

Mr. Nelson stated that Mr. Paul might not be traveling very far then.

On a serious note, Mr. Nelson thanked Mr. Paul for his years of service. He has advanced the District's Information Systems Department, and has worked hard with his Staff to serve the District.

Mr. Paul reminded Mr. Nelson that Ford means First on Race Day.

President Miller added that Ford means Fix or Repair Daily.

Mr. Paul thanked his Staff and employees of the District he has worked with these past six years. The Information Systems Department is one of the Departments that interfaces with all Departments and areas within the District. He has had a good experience and will miss the employees at the District. He thanked the Board for the opportunity.

President Miller asked Mr. Paul if there were any limits that the Board did not provide, and Mr. Paul stated that there were not.

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The Board applauded Mr. Paul for his 6 years of service. President Miller presented Mr. Paul with the Resolution of Appreciation (Res. 2010-15).

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 22608 through 22664, inclusive; General Fund Revolving Account Nos. 49747 through 49872, inclusive, Nos. 48768, 49824, 49871 and 49872 being void; Recreation Fund Nos. 2248 through 2265, inclusive, No. 2259 being void; and Payroll Direct Deposit and Warrant Nos. 53552 through 53727. M/S/C Drew/Weber

President Miller requested that a policy on utilization of health benefits (hearing tests, etc.) be added to the Administrative Practices Committee meeting agenda.

CEMENT HILL WATER SUPPLY PROJECT (COMMUNITY FACILITIES DISTRICT NO. 2007-1) – Property Acquisition

Matthew Crowe, Senior Right-of-Way Agent, reported that 40 of the 70 easements necessary for the Cement Hill Water Supply Project have been acquired. All offers have been made and most of the owners have responded in a positive manner.

Mr. Crowe explained that there has been no response from the owner of Assessor's Parcel No. 32-650-07. Since the agenda was prepared, Staff has been contacted by the owner. Based on comments he has made, Mr. Crowe expects negotiations to conclude very shortly. As a result, Mr. Crowe requested that this item be tabled at this time.

Director Weber stated that she received a call yesterday afternoon from the neighbors on Daisy Blue Mine Road. They would like to meet with Doug Roderick, Associate Engineer, regarding equipment and emergency access for the Project.

Mr. Crowe stated that he will pass this information on to Mr. Roderick.

MT. VERNON ROAD SIPHON PROJECT – Public Hearing (Res. No. 2010-22)

Anthony Rondoni, Right-of-Way Agent, explained that District Staff is asking the Board to consider the necessity of the easement being sought, but not to address whether the District's offer of just compensation is adequate. District Counsel has advised that this is not the forum to negotiate compensation, but for the Board to confirm four findings necessary to adopt a Resolution of Necessity:

Resolution of Necessity Findings Review:

- 1) Public interest and necessity require construction of the project
- 2) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury
- 3) The property interests sought to be acquired are necessary for the project

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- 4) A written offer was made to compensate owner for easement(s) acquisition, not less than the appraisal of the fair market value of the property

Adrian Schneider, Project Engineer, provided the following information on the Project:

Project Drivers:

- Capacity and Operations
 - Canal at Capacity
 - Future Flows Exceed Current Capacity
 - Water Loss Due to Seepage from Canal
- Maintenance
 - Limited Access for Maintenance
 - Unstable Canal Berm
- Public Safety
 - Failures and Flooding of Properties

Project Timeline:

- March 2007: Initial Public Meeting – Alternative Alignments with Preferred Route Presented
- June 2007: Start Environmental Process
- July 2007: Geotech Borings
- February 2008: Alignment Presented (Design Tech Report)
- October 2008: Second Public Meeting during 30-day Public Comment Period – Alignment Presented
- November 2008: Board Accepts Project

Project Objectives:

- Increases Capacity to Meet Demand
- Eliminates Bank Erosion and Flooding
- Reduces Maintenance
- Enhances Existing Services
- Conserves Water
- Public Safety

Mr. Rondoni continued his presentation. To date, District Staff has reached agreement with 9 of the 11 property owners. Eight easements have been signed as well as one Possession and Use Agreement.

Subject Parcel Overview:

- Assessor Parcel Number: 038-032-003
- Overall Parcel Size: +/- 2 acres
- Easement Area: +/- 0.28 acres
- Easement Area: approximately 30 feet by 419 feet
- Easement located inside Placer County Building Setback Area (30 feet)

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Acquisition Process:

- Schedule an appraisal inspection
- Acquire an appraisal
- Present “offer” to owner
- Discuss with the owner
- Address owner’s project concerns
- Provide owner an opportunity to contemplate offer and consult advisors

Acquisition Activities:

- July 29, 2009: Appraisal Site Inspection
- October 21, 2009: First Written Offer
- October 26, 2009: District Contact Attempt
- December 2, 2009: District Contact Attempt
- December 15, 2009: Discussion
- January 14, 2010: Meeting (with owner at Hane residence)
- January 27, 2010: Owner contact (advised of January 29, 2010 meeting)
- January 29, 2010: Meeting (owner did not show)
- February 17, 2010: Owner contact
- February 18, 2010: Discussion
- February 18, 2010: Discussion
- March 15, 2010: Meeting (with District Chief Engineer and District Staff)
- March 29, 2010: Discussion(with District Chief Engineer)
- March 30, 2010: Resolution of Necessity Hearing Announcement
- April 1, 2010: Discussion(with District Chief Engineer)
- April 2, 2010: Second written offer
- April 5, 2010: Discussion

Current Status:

- Staff has reached an impasse in reaching agreement on acquisition with owner
- Project review and acquisition impasse lead Staff to recommend that the Board consider Resolution of Necessity for proposed easement affecting Assessor’s Parcel No. 038-032-003

President Miller opened the public hearing.

Barbara Tamietti, owner of subject property, stated that she was never advised of the meeting that was scheduled for January 29, 2010. She has with her a copy of the Possession and Use Agreement. Some of the items agreed upon are not included in the Agreement. There is no compensation for the fence or mention of the extra five gallon trees that will be replanted. There is mention of the new offer of 22 trees. She stated that this Agreement is not complete and as such, she will not sign the Agreement until it is complete. She has no problem with the Project and she understands that people need water. She does have a problem with compensation. She met with Mr. King, Mr. Rondoni and Mr. Schneider in her home on March 15, 2010. Mr. King asked her what she wanted, and she told him she would like a new appraisal, a recount of the trees and a privacy fence. If the new appraisal comes in lower, the District would still

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honor the original Agreement. There was never mention that this matter would have to be taken back to the Board of Directors. She assumed that everything was settled. She informed Mr. King that she would contact Mr. Owens who would perform a second appraisal. She would also obtain a bid on a fence. Mr. Owens contacted Mr. King, and was waiting for paperwork so he could complete a second appraisal. When the paperwork did not arrive, Mr. Owens tried to contact Mr. King, and after several attempts, was able to contact him. Mr. King told Mr. Owens not to do an appraisal because a written offer was being presented to Ms. Tamietti. She was presented with another offer: she can have a second appraisal or she can have a fence. This is not what they had discussed. It was her understanding that she has a right to a second appraisal, but she has now been given an option of a fence or an appraisal. She would like to know why. If she does have a second appraisal, she wants to ensure that the District will pay for the appraisal.

Ms. Tamietti referenced page 6 of the original Agreement. It states that the fair market value of the property taken is the highest price on the date of evaluation which was on September 1, 2009. The value at that time was \$2.50 per square foot. The portion the District would be taking was valued at \$2.14 per square foot. However, the District's final offer is \$.35 per square foot. She asked how the District can justify this amount.

Ms. Tamietti would like to know where the replacement trees will be planted and by whom. She would hope that the District will plant the trees because she is not in a position to dig holes and replant the trees.

Ms. Tamietti stated that she had been fair and willing in all of the negotiations, and she has never forbidden anyone to come onto her property. She believes that when Staff wants to come into someone's home and negotiate, that this be done without intimidation. What was said to her by Mr. King, in a very matter of fact way, was that by Ms. Tamietti asking for "other things" she is helping to raise the water rates. She responded to Mr. King by saying that several years ago letters were sent to all rate payers advising of a rate increase each year. She wants to be treated decently and she wants her concerns to be listened to without intimidation.

Ms. Tamietti stated that it will cost her approximately \$79 each year for taxes and liability insurance on the easement the District is seeking to acquire from her. She would like to have a new appraisal and receive fair compensation for her land, not \$.35 per square foot. She would like to be sure that when she receives the Possession and Use Agreement that it should have everything included that was promised to her. She has to receive this information in writing, not by a verbal agreement.

President Miller closed the public hearing.

The Board Secretary confirmed that no correspondence was received by the District on this matter.

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Mr. Rondoni apologized that this point in the process has been reached. District Staff does endeavor and attempt to resolve these types of issues. At this point in the process, an impasse has been reached. He hesitates to discuss the details associated with the negotiations because Staff has been advised by District Counsel that the Board should be reviewing and discussing the four items pertaining to the Resolution of Necessity, and not to use this meeting as a forum to negotiate.

President Miller stated that he would like Ms. Tamietti's questions answered.

Mr. Rondoni asked Ms. Tamietti to refer to Page 2 of the Possession and Use Agreement. Mr. Rondoni stated that the District increased its compensation to Ms. Tamietti from \$4,700 to \$7,450 under a Possession and Use Agreement. Under a Possession and Use Agreement, Ms. Tamietti would not sign an easement deed, and she would agree to allow the District on to her property. In addition to the increased compensation, the District is willing to provide the replacement of all trees between four and six inches in diameter measured at breast height with five gallon bucket trees of the same species. Mr. Rondoni restated that if the Possession and Use Agreement is signed by Ms. Tamietti, the District would have the ability to access the parcel. He understands that Ms. Tamietti is obtaining a second appraisal, and the District would not want to compensate for the fence above the \$7,450 amount from the first appraisal as part of the Possession and Use Agreement. Should the second appraisal come up with a value that differs from the \$7,450, presumably higher, then the District would consider increasing the compensation in conjunction with Ms. Tamietti signing the Easement Deed.

Director Weber stated that it is important that if negotiations have come to the Board of Directors, the District has the responsibility to answer every question in front of the Board and in public.

Director Drew stressed the importance of taking these issues brought up by Ms. Tamietti one at a time so that each issue is fully vetted and understood.

Gary King, Chief Engineer, explained that before a Resolution of Necessity is considered by the Board, he, in conjunction with the General Manager, is trying to negotiate solutions prior to a Resolution of Necessity hearing.

Mr. King stated that with regard to replacing the additional trees, this has been agreed to as Mr. Rondoni stated in his presentation.

President Miller asked what Ms. Tamietti's concern was with the trees.

Ms. Tamietti stated that she was concerned about where and by whom the trees would be planted.

Mr. King confirmed that the trees would be planted by the District along the easement at the discretion of Ms. Tamietti.

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Mr. King stated that there was an error in the appraisal regarding the number of trees, and that number has been adjusted and indicated in the quantities within the letter Mr. King sent to Ms. Tamietti dated April 2, 2010.

Mr. King addressed the issue of items being provided to Ms. Tamietti in writing. The items agreed to by Ms. Tamietti have been included in the letter dated April 2, 2010. The intent of the letter was to make sure the offer by the District was clear.

Mr. King confirmed that he was contacted by Mr. Owens (Ms. Tamietti's appraiser), and Mr. King informed Mr. Owens that he had not heard a response from Ms. Tamietti regarding the April 2, 2010 letter. He informed Mr. Owens that he would need to wait to hear from her before he could have Mr. Owens proceed with an appraisal.

Mr. King stated that the District offered payment for a fence in Option 1 and the amount of the first appraisal. In the District's second offer, there was a second appraisal, but no fence. Ms. Tamietti would allow the District a Right of Entry while she obtained a second appraisal.

President Miller stated that Option 2 specifically says "does not include compensation for a fence."

Mr. King agreed. The understanding is that a fence could or could not be included in an appraisal. The District would be relenting to a professional appraiser's opinion whether or not a fence is justified. If the appraiser says there is no fence, then a fence would not be part of the second adjustment.

Director Weber stated that this is "pretty complex."

Ms. Tamietti stated that the reason she wants the fence is because she has a beautiful new deck. That deck is approximately 40 feet from the easement the District is seeking to acquire and where the District plans on putting a gravel road. She enjoys the natural beauty of this area, and now it will be gone. She reiterated that the fence is not in the Possession and Use Agreement. She wants to see the fence included in this Agreement. Then she will have no problem signing the Possession and Use Agreement.

Mr. King clarified that the letter states that a fence is not included with the Right of Entry Agreement and the appraisal agreement. Staff will leave this determination up to the professional appraiser.

Director Weber stated that she does not understand how Mr. King could say either an appraisal or a fence. She could see how trees or a fence could be offered because that is a screening.

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Matthew Crowe, Senior Right-of-Way Agent, stated that from a standard practice approach when dealing with appraisers, the appraiser will be looking at the property value and will review potential impacts or damages to the remaining property. One of those impacts might be mitigated by construction of a fence. If the District chooses the first approach which would conclude negotiations and compensate the property owner, this would include a fence. The second option is a Right of Entry which provides an opportunity for a second appraisal, and the appraiser may indicate the appropriateness and the value of that a second fence. He stated that the District does not want to be in a position of making a double payment for the fence.

Director Weber asked if in Option 1, there is an easement, and in Option 2, there is a Right of Entry.

Mr. Crowe stated that Option 2 is an interim step for a Right of Entry.

Director Weber stated that it appears that Ms. Tamietti has to choose one or the other. Those are not options under an easement – they are two different options. This is confusing.

Mr. Crowe stated that in the first case, all issues have been compensated. The approach on the second case is that the District has recognized the value that the District has determined and will look to a second appraisal to determine whether that amount was sufficient or not.

Director Bachman understood that if Ms. Tamietti's questions were answered, that she would be happy with what was offered in the April 2, 2010 letter.

Ms. Tamietti stated that she would like to have a second appraisal. With regard to the fence, the District must have deemed it necessary if they have already offered it to her. The fence is a necessity and should not even "come into play."

Director Bachman stated that a fence is included in the offer (letter dated April 2, 2010).

Ms. Tamietti stated that the fence has not been included in the Possession and Use Agreement.

Mr. King stated that the District is offering to settle with Ms. Tamietti. This would mean that she would sign the Easement Deed and the Right of Entry Agreement. A fence would be provided and the District would pay for the extra trees along the easement that were not indicated in the original appraisal. No second appraisal would be done.

Mr. King stated that the second offer includes Ms. Tamietti allowing a Right of Entry. The District does not offer a fence, but does offer the extra trees. She obtains a second appraisal and she will be reimbursed for the second appraisal.

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Mr. King stated that the third offer is a Resolution of Necessity adopted by the Board of Directors which allows for a judge to determine a fair value for the easement the District is seeking to acquire.

With regard to Mr. Hawkins and Mr. Hane (Ms. Tamietti's neighbors who have been through this process), a letter was not sent. Mr. Hane approved a Right of Entry allowing him 120 days to seek another appraisal. This is Option 2 that was provided to Ms. Tamietti. Mr. Hawkins received a fence, and he did not obtain a second appraisal. He signed the Easement Deed and the Right of Entry Agreement. The offers made to Ms. Tamietti are similar to the offers made to neighboring property owners.

Director Drew stated that the remaining component that Ms. Tamietti seems to be concerned about is the second appraisal.

Ms. Tamietti stated once again that the fence has not been included in the Possession and Use Agreement. She wants to see this in writing. She does not want to take this matter to court. She does not want to spend her time and money and she does not want to waste the District's time and money. She just wants to see things in writing.

Director Weber asked what the difference is between a Possession and Use Agreement and an Easement.

Mr. King explained that a Right of Entry is an interim step before going to court. Ms. Tamietti has not signed a Right of Entry Agreement.

Director Weber asked how then did the District obtain an appraisal.

Mr. King stated that at Ms. Tamietti's discretion, the District was allowed to conduct an appraisal.

Ms. Tamietti does not agree with the original appraisal. Mr. King stated that Ms. Tamietti was offered the opportunity to obtain a second appraisal, paid for by the District, since October 2009. This has not been done.

Ms. Tamietti asked how the District can value someone's property at \$2.50 per square foot, and then offer \$.35 per square foot. She does not understand this.

Director Drew stated that the difference has to do with the degree of encumbrance. The property still has the value of \$2.50 per square foot. The degree of encumbrance is taking part of the value away and she would be compensated for that portion.

Ms. Tamietti stated that if the fence is included in the Possession and Use Agreement, then she will not obtain a second appraisal.

Director Weber referenced a sentence in Option 2: "Option 2 does not include compensation for a fence as described in Option 1." Director Weber stated that this

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sentence could read that Option 2 does include compensation for a fence. The statement as has been presented appears that a fence could “never” be included in this Option, and that makes it “messy.”

Director Drew stated that he believes that Ms. Tamietti’s standards have been met. He appreciates her request to have the information in writing, but he believes “we’re there.”

Director Weber stated that she has a problem with the fact that Ms. Tamietti could not obtain a second appraisal under Option 1. She has a right to this if she is interested. It is Director Weber’s understanding that if Ms. Tamietti signs the Possession and Use Agreement, she will not have that option.

President Miller stated that this process has gone on since October 2009. This opportunity was provided, but was never pursued, for whatever reason.

Ms. Tamietti stated that it was her understanding that she could not have a second appraisal, and that is why she did not bother getting one.

Mr. King stated that if Ms. Tamietti decided to choose Option 1, there would be no second appraisal, and the compensation would be agreed upon by all parties.

Mr. King confirmed that Ms. Tamietti was never restricted from obtaining a second appraisal.

Director Weber stated that she just wants to make sure Ms. Tamietti’s rights are recognized.

President Miller asked if Ms. Tamietti obtains a second appraisal, can the Board adopt a Resolution of Necessity at this time.

Mr. King stated that a second appraisal could take up to two months. If the Board took action today, and Ms. Tamietti signs the Possession and Use Agreement that does not include the fence, she could obtain a second appraisal.

Director Wilcox sought clarification about the fence being determined by the second appraisal. He stated that this appears to be a gamble on the part of Ms. Tamietti, because she could obtain a second appraisal which may or may not be equal to the first appraisal, and she may or may not receive a fence from the second appraisal. In Option 1, she would be getting a fence, she would be receiving additional trees and she would be receiving the fixed price from the original appraisal. She seems to be unhappy with the compensation, and she wants assurance that there will be a fence. That assurance cannot be provided because that is up to the appraiser.

Mr. King nodded in affirmation that Director Wilcox understands the situation correctly.

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Director Drew stated that he believes everything Ms. Tamietti has requested is stated in writing (Option 1).

Mr. King stated that Ms. Tamietti is “not happy” with the compensation per square foot for the property.

Mr. King explained that the document Ms. Tamietti has is the Easement Deed, and this document includes the fence.

Mr. King suggested that the Board table this matter for two weeks or that the Board adopt the Resolution of Necessity and direct Staff to continue negotiating with Ms. Tamietti for another three to four weeks. If no resolution is reached, the process will continue with the court getting involved.

In response to Ms. Tamietti’s concerns about feeling intimidated, President Miller asked if Ms. Tamietti would feel more comfortable meeting with Staff and the General Manager in the General Manager’s office to discuss further negotiations.

Ms. Tamietti stated that this would be fine.

Anthony Soares, District Counsel, stated that the fourth finding (A written offer was made to compensate owner for easement(s) acquisition, not less than the appraisal of the fair market value of the property) pertains to appraisal number one. The second appraisal is the appraisal that Statute requires the District to allow the owner to obtain at the District’s expense. This is not conditional. The owner is entitled to obtain the second appraisal and to be reimbursed at a reasonable cost. The Board can adopt the Resolution of Necessity based on the information that has been presented today. On the other hand, it would not be appropriate to prevent the owner from proceeding with obtaining a second appraisal. This does not prevent the Board from moving forward.

Mr. King stated that it would be Staff’s recommendation to adopt a Resolution of Necessity because all of the criteria have been met. In addition, the Board could direct Staff to continue negotiations so that the matter could be resolved in three weeks. Mr. King supports this recommendation, because Ms. Tamietti has had an opportunity since October 2009 to obtain a second appraisal.

Director Drew suggested that the Board adopt the Resolution of Necessity and allow the General Manager, Ms. Tamietti and Staff time to meet again. In the event an agreement is reached, the Resolution of Necessity can be rescinded. This would allow the Project to stay on track, as opposed to being delayed an extensive period of time which will cost more money.

Director Drew made a motion to adopt Resolution No. 2010-22 (Declaring Necessity and Authorizing Eminent Domain Proceedings for the Acquisition of Real Property for a Public Project Known as the Mt. Vernon Road Siphon Project

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on Nevada County Assessor's Parcel No. 038-032-003, owned by Victor E. Tamietti and Barbara Lee Tamietti). Director Wilcox seconded the motion.

Motion failed on the following roll call vote:

Division I	No
Division II	Aye
Division III	Abstain
Division IV	No
Division V	Aye

Director Weber stated that she voted no because she does not think Ms. Tamietti's options are clear to her. Ms. Tamietti asked for no intimidation, and Director Weber feels this level is intimidation.

Director Wilcox stated that he voted yes because this provides the District with another option and moves the negotiations forward in a timely manner. He thinks it is in the public's interest.

Director Weber stated that Ms. Tamietti represents herself capably, but suggested to Ms. Tamietti that she bring someone with her during the negotiation meetings because there are so many details.

Robert Hane, Ms. Tamietti's neighbor, stated that he has been involved in all of the negotiations between the District and Ms. Tamietti. He has also been invited by his neighbors to attend the Board meetings involving the Resolution of Necessity hearings for the Mt. Vernon Road Siphon Project.

MT. VERNON ROAD SIPHON PROJECT – Public Hearing (Res. No. 2010-23)

Anthony Rondoni, Right-of-Way Agent, stated that Gregory T. Warner and Malinda Teal own the subject parcels as tenants in common with 50 percent interest. Ms. Teal is in attendance, but Mr. Warner is not.

Adrian Schneider, Project Engineer, provided the following information on the Project:

Subject Parcel Overview:

- Assessor's Parcel No. 051-080-081
- Overall Parcel Size: +/- 2.90 acres
- Easement Area: +/- .15 acres (area is 30 feet by +/- 210 feet)
- Temporary Construction Easement: +/- .03 acres (area is 20 feet by 60 feet)
- Easement located inside Placer County building 30 foot setback area
- Owners' utility of proposed easement area is affected by two 100 foot structural setback areas (North Ravine and Howard Ditch) per Parcel Map, Book 34, Page 47

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Subject Parcel Overview:

- Assessor's Parcel No. 051-080-082
- Overall Parcel Size: +/- 2.30 acres
- Easement Area: +/- .05 acres (area is 30 feet by +/- 70 feet)
- Easement located inside Placer County building 30 foot setback area
- Owners' utility of proposed easement area is affected by two 100 foot structural setback areas (North Ravine and Howard Ditch) per Parcel Map, Book 34, Page 47

Acquisition Process:

- Schedule an appraisal inspection
- Acquire an appraisal
- Present "offer" to owners
- Discuss with the owners
- Address owner's project concerns
- Provide owners an opportunity to contemplate offer and consult advisors

Acquisition Activities:

- 08/03/09 Appraisal Site Inspection
- 11/05/09 First Written Offer
- 11/30/09 Discussion (Rondoni & Teal)
- 11/30/09 Revised Offer w/ Right of Entry (Teal)
- 11/30/09 Revised Offer w/ Right of Entry (Warner)
- 12/15/09 District Contact (Left Message w/ Warner)
- 12/15/09 District Contact (LM w/ Teal)
- 12/16/09 Scheduled Meeting for 12/28/09
- 12/17/09 District Contact (LM w/ Teal)
- 12/17/09 District Contact (LM w/ Warner)
- 12/18/09 District Contact (LM w/ Warner)
- 12/22/09 District Contact (LM w/ Warner)
- 12/22/09 Discussion (Warner)
- 12/24/09 Teal Cancelled 12/28/09 Meeting
- 01/04/10 Schroeder Contact (LM w/ Comments & Questions)
- 01/06/10 Discussion (Rondoni & Teal's Rep. - Schroeder)
- 01/06/10 Emailed Improvement Plans (to Schroeder)
- 01/12/10 District Contact (LM w/ Schroeder)
- 02/02/10 Notice of Intent mailed (Teal)
- 02/02/10 Notice of Intent mailed (Warner)
- 02/05/10 Discussion (Schneider & Teal's Rep. - Schroeder)
- 02/05/10 District Contact (Schneider/Rondoni LM w/ Teal's Rep. - Schroeder)
- 02/08/10 Schroeder Contact (LM w/ Comments & Questions)
- 02/09/10 Schroeder Contact (LM)
- 02/09/10 District Contact (LM w/ Schroeder)
- 02/10/10 District Contact (LM w/ Schroeder)
- 02/10/10 Discussion (Crowe/Rondoni & Teal's Rep. - Schroeder)

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- 02/15/10 Email Correspondence (from Teal & Teal's Rep. - Schroeder)
- 02/17/10 Letter from Teal
- 02/25/10 Teal Contact (LM)
- 02/26/10 District Scheduled Meeting w/ Teal for 03/08/10
- 03/01/10 Teal Contact (LM w/ Comments & Questions)
- 03/04/10 District Contact (LM w/ Warner)
- 03/04/10 District Contact (LM w/ Teal)
- 03/08/10 Meeting (w/ Teal / Schroeder & District Chief Engineer, Project Manager, & Right of Way Agent)
- 03/10/10 Schroeder provides commentary at NID Board Hearing
- 03/12/10 Teal Contact (LM w/ Comments & Questions)
- 03/16/10 District Contact (LM w/ Teal)
- 03/17/10 Teal Contact (LM w/ Comments & Questions)
- 03/18/10 Scheduled Meeting for 03/22/10
- 03/19/10 Discussion (Warner)
- 03/22/10 Meeting (w/ Teal / Hane & District Chief Engineer, Project Manager, & Right of Way Agent)
- 03/23/10 Teal Contact (LM w/ Chief Engineer - fence price in by 03/31/10)
- 03/24/10 Teal Contact (LM w/ Chief Engineer - fence price now by 04/05/10)
- 04/02/10 Second Written Offer
- 04/05/10 Discussion (w/ Teal & District Project Manager)

Current Status:

- Staff has reached an impasse in reaching agreement on acquisition with owners
- Project review and acquisition impasse lead Staff to recommend that Board consider Resolution of Necessity for proposed easements affecting Assessor's Parcel Nos. 051-080-081 and 051-080-082

Mr. Rondoni reminded the Board that these parcels have two owners. Even if an accommodation could be met with Ms. Teal, Staff is not sure that this would be acceptable with Mr. Warner.

President Miller asked if the Board can move forward if there is not agreement from both property owners.

Anthony Soares, District Counsel, stated that this might be why the Board would move forward with the Resolution of Necessity.

Mr. Warner and Ms. Teal were provided with a first offer on November 5, 2009. This included the Easement Deeds and the right of entry package. On November 30, 2009, they were provided with the Possession and Use Agreement. The Chief Engineer sent a second offer letter to Mr. Warner and Ms. Teal dated April 2, 2010.

President Miller opened the public hearing.

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Malinda Teal, co-owner of the subject properties, stated that she is “in charge” of the property because Mr. Warner lives on the coast. When Mr. Warner and she purchased the property in 2005, they were approached by the District. She was happy that water would be provided to everyone in the area, and that she would no longer have to maintain an open ditch. So far, this has not happened. She realizes the Project is of the greatest interest to the public. She and Mr. Warner have “benefitted none” from the Project. In addition to not being able to connect for water, they have been offered only \$.25 per square foot for easements the District is seeking.

Ms. Teal said that she was expecting to only have to sign the Possession and Use Agreement. She did not know there were any other offers, so this stunned her when she received another offer.

Ms. Teal stated that she counted 38 trees on the two subject parcels – 22 on one parcel and 16 on the other. The District counted 12 trees on one parcel and 4 on the other. She would like compensation for the loss of the trees, and she would also like to obtain a second appraisal. The fence is debatable. She would like to see if she needs all of the fencing or not, or if she will just have fencing behind the house where the pool is. She does not want the trees replaced because she does not want anything else that she has to take care of.

President Miller closed the public hearing.

Director Drew stated that one of the issues he is hearing today is the appraised value versus the District’s offer. He pointed out that the District is not taking ownership of these properties, but encumbering the properties to a degree, and the amount of encumbrance is reflective of the encumbrance in the amount of compensation being offered.

Ms. Teal stated that she understands this, but what she does not understand is that the offer is only \$.25 per square foot.

Mr. Rondoni explained that the original offer to Mr. Warner and Ms. Teal for the easements the District would like to acquire was \$5,300. The revised offer was \$5,295. Mr. Rondoni estimated that by dividing 9,914 square feet (three easement areas) by \$5,295, the value equals \$.60 square foot.

Director Wilcox stated that the issue is compensation. Ms. Teal disagrees with the value in the second appraisal. He thinks that she should obtain a second appraisal, and the matter should be deferred until that appraisal has been done. The District will reimburse Ms. Teal once the second appraisal is completed.

Gary King, Chief Engineer, informed the Board that Mr. Warner and Ms. Teal were provided the opportunity to obtain a second appraisal since November 2009. This has not been done.

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Ms. Teal stated that she has not done this before and does not understand her rights. The conversation was very intimidating. She began to realize that there were major discrepancies in the tree counts, and she was unsure about the fencing. For her, this process has been a “ping pong game.”

Mr. Schneider explained that the trees that were counted were one inch in diameter and above. He came up with a tree count and that was readjusted with the April 2, 2010 offer sent to Ms. Teal.

Mr. Rondoni explained that the appraisal includes the value of all of the trees within the easement. What Staff wanted the appraiser to do is to consider the trees marked on the plans (6 inches and above in diameter) that absolutely must be removed because there is a potential lack of privacy and impact to the property owner. The appraiser's cost to cure is \$125 per tree. The appraiser has a lower count than Mr. Schneider, because Mr. Schneider is counting all of the trees. After reviewing this situation, the Chief Engineer felt it prudent to compensate for the additional trees, because there is the potential of moving all of the trees that are 6 inches or above in diameter.

Ms. Teal pointed out that the District gave her a count of two additional trees on one parcel, and three additional trees on the other parcel. There is still a difference in the count. She has come up with a total count of 38.

Director Drew pointed that there is the potential trees may be removed, and there is the actual number of trees that will be removed during construction.

Director Wilcox expressed concern about the timing. Ms. Teal has had quite a bit of time to obtain a second appraisal, and she has not done so because she did not understand the process. Now, presumably, Ms. Teal has a better understanding of the process, and she has requested a second appraisal. An agreement should be reached whereby Ms. Teal will obtain a second appraisal without further delay. During the time the second appraisal is being done, she can determine the tree counts. He wants to be fair to Ms. Teal. The Board is not here to discuss compensation. That is a matter before the courts. If Ms. Teal is unhappy, she has the right to a second appraisal that will be paid for by the District. He urged Ms. Teal to obtain a second appraisal.

Director Weber asked what will be discharged from the blow-off valve.

Mr. Schneider explained that raw water will be discharged. The blow-off valve would be exercised to clear any sediment that might collect. He does not suspect that this will be very often because the pipeline has high velocities.

Director Weber asked how often the discharge will occur and how much sediment would be discharged.

Mr. Schneider stated that it will vary. He estimated once a year.

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Director Weber asked if this is an impact, and if so, was it addressed.

Mr. Schneider stated that the impact was addressed in the California Environmental Quality Act (CEQA) documents for the Project.

Don Wight, Operations Manager, stated that another use of the blow-off valve is to drain the pipe so that repairs can be made.

Director Weber requested that the CEQA information be provided to the Board when this matter is brought back to the Board.

Robert Hane, neighbor downstream from Ms. Teal, stated that there are “a couple of things” that has caused problems since the Project was first conceived to this point. Nobody in the neighborhood is really opposed to the Project. It comes down to the amount of money the property owners are being paid. In his situation, he has been in business for 31 years raising Christmas Trees. Christine Turner, Placer County Agriculture Commissioner, wrote a letter on Mr. Hane’s behalf about his situation. When the Board commented that the land was still his and could still be used, he disagrees. In his particular case, this is not true. He referenced page 35 of his appraisal regarding overall impacts. He cannot plant Christmas Trees on his own property. What this means to him is a loss of production. This is a very compelling issue to him, because he felt that this was not negotiated into the contract. He and his wife signed the Possession and Use Agreement to eliminate the eminent domain hearing. There are 43,560 square feet in an acre. She asked how Ms. Tamietti’s value was reduced to \$.35 per square foot. The appraisal itself states that there are no formulas or rules of thumb for establishing easement values. He asked how his appraisal went from \$1.90 per square foot to \$.50 per square foot. The appraiser stated that it is his personal opinion that this is what the impact is. Mr. Hane stated that in the 10,000 square foot area, he could plant approximately 337 trees.

Ms. Teal would like to be offered time to obtain a second appraisal, and she will request the appraisal as soon as possible.

President Miller stated that the problem is that there are separate owners.

President Miller made a motion to adopt Resolution No. 2010-23 (Declaring Necessity and Authorizing Eminent Domain Proceedings for the Acquisition of Real Property for a Public Project Known as the Mt. Vernon Road Siphon Project on Nevada County Assessor’s Parcel Nos. 051-080-081 and 051-080-082, owned by Gregory T. Warner and Malinda Teal).

Motion failed due to lack of a second.

Director Wilcox stated that he would like assurance in two weeks, that Ms. Teal has begun the process to obtain a second appraisal. The Board cannot continually be in a waiting period.

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Ms. Teal stated that she is fine with signing the Possession and Use Agreement as long as she can obtain a second appraisal.

President Miller directed Staff to meet with Ms. Teal and report back later during this Board meeting.

Recessed at 10:58 a.m. and reconvened at 11:05 a.m.

Later in the meeting, Mr. Rondoni informed the Board that Ms. Teal had to leave to be at work, but after briefly discussing her concerns, Ms. Teal is amenable to Option 2. The paperwork will be prepared and provided to Ms. Teal, and upon her approval, Staff will provide the paperwork to Mr. Warner. This matter can be placed on the Board of Directors' agenda for April 28, 2010 if no agreement can be reached.

Director Weber stated that when the matters involving the Tamietti and the Teal/Warner properties are presented to the Board, it would be helpful for the Board to know that the property owners have been in contact with an appraiser and that appraisals are in process.

FIRE SAFE COUNCIL OF NEVADA COUNTY – Request for Contribution

Ron Nelson, General Manager, stated that normally these types of requests are handled by the General Manager on behalf of the Board of Directors and the District as part of the District's continuing outreach in the communities the District serves. Staff wanted to present this request to the Board at this time to highlight that the District does participate in these types of activities and obtain the Board's support because of the importance of this project.

Joanne Drummond, Executive Director for the Fire Safe Council of Nevada County, stated that the Fire Safe Council has been active in this area for about 11 years, and are a non-profit organization with an 18 member Board of Directors that represents a good cross section of the community (Sierra Club, Sierra Pacific Industries, elected County officials, etc.). She stated that the Council works hard to mitigate the wildfire problem in our community, not only from a defensible space standpoint, but from community projects.

Ms. Drummond stated that the Scotch Broom Challenge started three years ago in order to ban the sale of Scotch Broom as ornamental landscaping. Scotch Broom is highly flammable and creates a problem for wildfire conditions in the form of ladder fuels carrying the fire from the ground into the tree canopies. It is similar to juniper which fire fighters liken to a gas can plant. The Agriculture Commissioner has banned the sale of ornamental Scotch Broom for landscaping. The program is called the Scotch Broom Challenge because the Council recognizes the problem of removing Scotch Broom. The Council has engaged 25 community partners to handle nine project sites this year,

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and would like to engage the Nevada Irrigation District. The program is cost effective – only \$3,500 per year to provide volunteer insurance, signage, tools, materials, etc. and the Council is requesting the District contribute \$1,000 to support the program. She would like to look for opportunities where the District has Scotch Broom present, to engage a community partner to help remove the Broom where it is appropriate.

President Miller stated that this request was advanced as an unendorsed recommendation to the Board of Directors from the Administrative Practices Committee. He will be the “bad guy” in that he did not think that the District should approve the request, because the District has had a hiring freeze, and there are no pay increases. The District receives money from the tax payers and the rate payers, and he does not think it is appropriate to distribute funds to accommodate requests such as this. He expressed concern that if the District is on the Fire Safe Council’s list, then each year the District will be asked for a contribution. The District, as property owners, should take care of its own properties in order to help reduce the amount of Scotch Broom.

Ms. Drummond stated that the Fire Districts contribute to the Council, and 95 percent of the Council’s budget is grant funded. The remaining 5 percent comes from local contributions. In reference to the support list, not everyone makes a financial contribution on a recurring basis. Some partners have provided in-kind contributions, for example, State Parks loans weed wrenches to the Council for the project sites. The District could supply the use of cones, etc.

Director Weber stated that she has walked part of the DS Canal, and there was a lot of Scotch Broom. She was not sure that the Broom was in the District’s easement. Contributing to the Fire Safe Council is a watershed protection issue. She stated that the Administrative Practices Committee (Director Miller and Director Weber) are trying to ensure that contributions are water related issues.

Director Drew stated that taking the Scotch Broom from the watershed helps to protect the watershed from greater fire damage.

Director Drew made a motion to contribute \$1,000 to the Fire Safe Council of Nevada County for safety supplies, additional tools and volunteer refreshments in an effort to educate the community about the fire hazard associated with Scotch Broom. Director Weber seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Abstain
Division IV	Aye
Division V	Aye

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LOWER CASCADE CANAL / BANNER CASCADE PIPELINE PROJECT – Easement Acquisition (Res. No. 2010-24)

Matthew Crowe, Senior Right-of-Way Agent, stated that he is requesting a Resolution adopted by the Board authorizing the General Manager to accept an Easement Deed and a Temporary Easement for airport property from Nevada County for the Lower Cascade Canal / Banner Cascade Pipeline Project. He provided the following information:

Easement Details:

- Permanent Easement Area
 - 2.77 acres +/-
 - \$96,300
 - Includes future Hydroelectric site
- Temporary Easement Area
 - 4.43 acres +/-
 - \$26,042

Acquisition Activity:

- August 28, 2009: Appraisal from Bender Rosenthal
- August 31, 2009: First Written Offer
County Independent Appraisal Review
- October-December 2009: NID and County Staffs clarify acquisition details
- January–March 2010: Approvals required:
FAA
Nevada County Capital Facilities Sub-Committee
Nevada County Airport Commission
Nevada County Board of Supervisors

Mr. Crowe stated that the appraisal was conducted as if the property was industrial/commercial, and the District is basically going to be parking trucks on unoccupied land. The airport has the opportunity to rent this area, and this adds substantial value to the County.

At this point, the County and the District have reached agreement, and now he is requesting the Board to adopt Resolution No. 2010-24.

Adopted Resolution No. 2010-24 (Designating and Authorizing the General Manager to Accept for Recordation and Distribute Funds for the Easement Deeds Conveying Interests in Real Property for the Lower Cascade Canal / Banner Cascade Pipeline Project – Assessor Parcel Nos. 06-380-04 and 06-401-03 . M/S/C Drew/Weber

Chris Rohde, resident on Lee Lane, stated that it appears that the District will be spending “a lot” of money for government property versus the private residences dealt with earlier.

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Mr. Crowe stated that the appraiser had to evaluate the property as an industrial/commercial property. Two appraisers have reviewed the situation and made a recommendation for the value of the permanent easement.

Director Wilcox stated that not long ago, the County asked the district for easements along Pasquale Road at no charge. The District agreed and provided the County with these easements at no charge. The Board should remember this the next time the County approaches the District for easements.

DISTRICT FINANCED WATERLINE EXTENSION PILOT PROGRAM – Reinstatement of Program

Shannon Bradley, Business Coordinator, is presenting a recommendation from the Administrative Practices Committee to reinstate the policy and changes to Program criteria and related Funding Agreement for the District's Financed Waterline Extension Program. Quite some time ago, the Term Payment Agreement, the District Financed Waterline Extension Program and the Culvert Replacement Program were put on hold for economic and financial reasons. The Term Payment Agreement and the Culvert Replacement Program have since been reinstated after adjustments have been made to agreements and policies. Ms. Bradley presented this matter at the last Administrative Practices Committee meeting as an update. Discussion took place regarding modifications to the policy and Funding Agreement.

Ms. Bradley explained that the Committee wanted Staff to present modifications to the Funding Agreement at a future Committee meeting. She asked, in all fairness, to advance the Agreement and Policy to the Board of Directors because she has a group of people who have been on hold in a waiting period for two to three years. They are ready to move forward, and the District is in a good position to help with their project. She is asking for the Board to reinstate the policy and Funding Agreement in order for the District to assist one group, with the caveat that Staff present this matter to the Administrative Practices Committee in June 2010.

Ms. Bradley stated that in the agenda packet there is a clean copy and a draft copy of the policy and the Funding Agreement.

Director Weber asked if this program works like an adjustable rate mortgage. She asked what the cost will be to the property owners, and what the surcharge is.

Marie G. Owens, Finance Manager/Treasurer, explained that the surcharge is a combination of inflation, interest lost and the time value of money. This is determined by the cost adjustment factor in the calculation.

Director Weber asked why the District is setting this kind of funding for the District Financed Waterline Extension Program and not for the Assessment Districts or Community Facilities Districts.

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Ms. Owens stated that when the District Financed Waterline Extension Program was set up, the factor was utilized because the District did not want to charge interest on the project costs. Rather, the District looked to recover its reasonable expenses over time and created the factor as a means to do so. Engineering came up with a capital recovery factor that would enable the District to be reimbursed for lost interest for money the District spent up front and would not receive for 20 years.

Director Weber asked if the interest rate would be four percent plus a surcharge.

Ms. Owens stated that the four percent interest rate is embedded within the surcharge modifier. There is a construction index factor included as well. This rate would be set for the life of the project. Ms. Owens pointed out that the program is not being set up for the District to make a profit, but the District is supposed to break even.

Approved reinstatement of District Financed Waterline Extension Pilot Program policy and changes to Program Criteria and related Funding Agreement with the understanding that the policy and Funding Agreement will be presented to the Administrative Practices Committee in June 2010 for further review. M/S/C Drew/Wilcox

PLACER COUNTY LAND TRUST – Garden Bar Reservoir

Ron Nelson, General Manager, reported that correspondence has been received by the District expressing concerns about the proposed Garden Bar Reservoir. His understanding is that this is not the first time this project has been proposed, and has not made sense for one reason or another. This time, it appears that there are a number of municipal entities involved from Northern and Southern California.

Mr. Nelson has asked South Sutter Water District to supply him with any information they have to date on what is being proposed. He was also referred to their consultant and he asked their consultant for the same information. He invited the South Sutter Water District and their consultant to a Committee meeting or a Board meeting to share directly what is being proposed, the timeframe, etc. He will keep the Board posted.

President Miller suggested that the Placer County Land Trust also be invited to speak to the Board at a separate meeting.

Director Wilcox shed some light on this subject. He believes that South Sutter Water District took out an application to install a pump/storage project at Garden Bar Reservoir site in the 1980's. It was purely a power project and not a water supply project where they would release the water and pump it back (release on peak/pump back off peak). There were other agencies interested in the project at that time. The State Water Board pressed them to pursue their application, and he believes that they were not in a position to pursue the project to the permit stage. They were eventually forced to withdraw their application. As far as he knows, South Sutter Water District has no water rights to this project, and that the project is purely speculation. He will confirm this by calling the State Water Board to determine the current status.

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Director Weber asked if, in any way, the District's water rights would be affected, for instance, if the District wanted to raise the dam at Rollins Reservoir.

Director Wilcox stated that if South Sutter Water District were to file for a water right and receive a permit for the right for the project before the Nevada Irrigation District were to file a permit application for additional rights for Rollins, that could potentially make South Sutter Water District senior to Nevada Irrigation District for that additional increment of water, and it could impact Nevada Irrigation District's future ability to store water in an expanded Rollins Reservoir. There are clearly water right implications that need to be looked at.

Director Weber stated that she wants to make sure the District's water rights are protected.

GOLD COUNTRY FLY FISHERS

Ron Nelson, General Manager, reported that the Gold Country Fly Fishers have invited the Board of Directors and Staff to get together at Scotts Flat in August 2010, perhaps after a Board meeting. The District has been working with this group for the past several years, and this would be a nice opportunity to meet with them.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY – Update on the District's Insurance Rates

Tim Crough, Assistant General Manager, reported that the District's liability and workers' compensation carrier provides the District opportunities to reduce premiums. He announced that the District has earned 14 percent savings on the property and liability premium and 15 percent savings on workers' compensation premium. Currently, the District pays approximately \$750,000 per year for both of these premiums. The savings amounts to approximately \$105,000 based on Staff's efforts and the Board's efforts. Staff has participated in education seminars offered by the California Special Districts' Association and the Special District Risk Management Authority. The District also participates in the Target Safety Program, an on-line program utilized by District employees. In addition, Director Bachman and Director Wilcox attended a Brown Act Webinar which the District received credits for, and they also attended a Claims Workshop covering claims and safety. Their attendance amounted to \$15,000 in credits. Mr. Crough also reported that the District's Workers' Compensation modifications have been reduced from 140 percent to 113 percent, which will result in a savings for next year.

MERCURY REMEDIATION PROJECT – Funding Update

Tim Crough, Assistant General Manager, reported that Senator Feinstein is beginning to publish her recommendations for appropriation requests. Staff is monitoring this closely. So far, she has not made her recommendations for Department of Interior appropriations. He hopes to share any news on this matter at the next Board meeting.

INFORMATION SYSTEMS DEPARTMENT - Update

Ron Nelson, General Manager, reported that the Information Systems Department will be staffed and structured differently in the future. At this time, the Department will fall under the Finance Department. An audit and review of the functions of that Department will take place shortly, and the results of the audit and review will assist Staff in structuring the Department.

CALPERS HEALTH INSURANCE RATES BY COUNTY - Update

President Miller asked for an update on health insurance rates (one rate is being charged to Placer County residents, and another rate is being charged to Nevada County residents).

Tim Crough, Assistant General Manager, stated the District had sent a letter regarding the situation, and has not received any written response. However, Mr. Crough contacted CalPERS, and CalPERS staff informed him that several years ago, they had one premium for the entire State. They were losing members, so they decided to implement a regional approach for health insurance premiums. Last year, for the first time, CalPERS divided the Bay Area/Sacramento region into two different regions. The result was that the District's Nevada County employees are paying one rate, and the District's Placer County employees are paying another rate. CalPERS staff recommended that the District urge CalPERS Board of Directors to merge the Bay Area/Sacramento region as it once was, since it has caused a number of problems. The CalPERS Board of Directors is beginning deliberations on this matter this month.

President Miller requested that updates on this issue be provided to the Administrative Practices Committee each month until there is resolution.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY – Claims Workshop

Director Wilcox announced that he and Director Bachman will be providing the Board with a report at the next Board meeting on the Workshop they attended on March 30, 2010.

LAFCo BALLOT FOR SPECIAL DISTRICT MEMBER

Director Drew made a motion to cast a ballot for Local Agency Formation Commission (LAFCo) Special District Member – Nick Wilcox, Nevada Irrigation District. Director Weber seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Aye
Division IV	Aye
Division V	Abstain

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CLOSED SESSION was declared at 12:05 p.m. pursuant to Government Code 54957.6 to provide direction to the District's designated bargaining representatives – Nelson, Crough, Owens, DuBose and Meith – regarding 2010 salary/benefit/working conditions.

CLOSED SESSION was declared at 12:05 p.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.

MEETING RECONVENED in regular session at 12:40 p.m.

MEETING ADJOURNED at 12:40 p.m. to reconvene in regular session on April 28, 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

Division III

Division IV

Division V