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NID WaterWays

A Newsletter to the Customers
of the Nevada Irrigation District

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\$16 Million in Upgrades Seen for NID Canal Network

To carry water to more than 24,000 customers, NID relies on a complex raw water distribution system that includes 425 miles of canals, some of which date back to the California Gold Rush.

The canal system supplies irrigation water to thousands of homes, farms and ranches and also provides source water to seven water treatment plants that produce drinking water that is piped to wide areas of Nevada and Placer counties.

New Master Plan

In mid-December, the NID Board of Directors accepted a new Raw Water Master Plan that calls for about \$16 million in canal system upgrades over the coming 21 years.

The plan, prepared over the past two years by Kleinschmidt Energy and



Josh Bove cleans pine needles from the Newtown Canal off Bitney Springs Road. The new master plan gives the Newtown high priority for improvements.

Water Resource Consultants, includes technical analyses of supply and demand, evaluates canal system infrastructure and provides guidelines for future operation and improvements.

A second phase of the Raw Water Master Plan is the identification of specific capital improvement projects and timelines for their completion. The district anticipates com-

pleting this phase and corresponding environmental studies in 2006.

While the plan notes that NID will have ample water supplies (barring drought conditions) to meet demand over a 25-year period, it points out that the existing canal infrastructure must be improved to supply water where it is needed.

(Please See Canals, Page 3)

General Manager's Report

Neighborhoods Looking for New Water Supplies

By Ron Nelson



Let's say that you live out in the country and your well is going dry. There's a Nevada Irrigation District treated water pipeline a few thousand feet away from your property.

This is not an unusual situation today in Nevada and Placer counties. NID receives frequent queries from property owners who would like to connect their existing homes to a reliable supply of good quality water.

The extension of water lines may seem like a simple proposition but it can be very costly, even unaffordable for some homeowners seeking to extend lines for long distances through rural areas where there are few neighbors to share in the costs.

As our communities grow and change, we expect to see more demand for expansion of NID water service. The district is working proactively on new policies and programs to help meet these needs.

In fact, the expansion of NID water service into areas of the district where it is not yet available is the No. 1 strategic planning priority of the NID Board of Directors. Your elected directors in September unanimously identified this issue as their top concern.

Ratepayers Won't Pay for Growth

Importantly, existing customers should know that NID will not rely on water rate revenues to pay for growth and expansion of the water system. Those who receive the benefit of a new water supply should be primarily responsible for covering its costs.

In this regard, NID is looking into organizational and financial options to assist those seeking to connect to district water lines. Formation of assessment or improvement districts, grants, loans, a revolving fund and/or use of other NID revenues are some of the options being studied.

We see this effort leading to an orderly progression, or expansion, of the existing water system, one moving outward from existing infrastructure, not leapfrogging out into the more remote areas of the district.

District staff is developing criteria for new policies and programs that may be recommended to the Board of Directors in coming months. Several pilot projects are under consideration.

NID's vision statement is to "Provide quality water to all lands within the district." This is an ambitious vision that we don't expect to achieve in our lifetimes. But it does demonstrate the district's strong commitment to meeting the needs of its residents, both within and outside today's service areas.

Water Rates Go Up 6 Percent

The NID Board of Directors on Dec. 14 approved a 2006 water rate schedule that includes 6 percent rate increases for NID water users.

District officials say the increases are needed to help the district meet increasing costs for operation and maintenance of the water system.

Under the new schedule, typical residential treated water customers will pay an average \$2 to \$3 more per month for their water. Rates for seasonal and winter irrigation water service were also increased by 6 percent.

The district is estimating 2006 water sales at \$17 million, a level expected to cover 83 percent of operating costs. Reserve withdrawals of approximately \$2 million and other revenues are being used to balance revenues with costs.

Connection Fee Raised

The Board of Directors also increased the district's rates and charges for other services, including new connections. In 2006, the combined capacity and installation fee paid by developers and new customers for a standard 5/8-inch meter is up by 16.8 percent to \$6985. Installation of a raw water service outlet, ranging in size from one-half to 25 miners' inches, was increased by 4.1 percent to \$880.

Budget Down 4.2%

The NID board on Dec. 14 approved a 2006 combined annual budget of \$41.9 million, down 4.2 percent from the 2005 budget.

The combined budget includes an overall Water Division budget of \$35 million, Hydroelectric Division budget of \$5.7 million and Recreation budget of \$1.2 million.

Warm Start for '05-'06 Rainfall Season

Despite dry conditions through much of the fall, precipitation at NID's Bowman Reservoir (elev. 5650 ft.) reached 22.81 inches, or 110 percent of average, by Dec. 19.

NID Operations Supv. Sue Sindt said warmer than usual storms produced mostly rain and little snow.

"We have received very little snow," she said. "We have captured most of the runoff in our reservoirs."

NID water storage as of Dec. 19 stood at 180,400 acre-feet, which equals 120 percent of the average for this time of year. NID's 10 reservoirs hold a total 250,280 acre-feet of water.

"It is early in the year so there is still ample opportunity for the rain and snow to come," said Sindt.

Cascade Studies Near Completion

A MAJOR upgrade of NID's Cascade Canal system is being planned for construction in 2007.

The Lower Cascade Canal/Banner Pipeline Project, estimated at \$16-\$20 million, involves a new pipeline across the southern flank of Banner Mountain. It would carry most of the water through the Cascade system while the Cascade Canal would remain in use as a service lateral. About 20,000 people now rely on water from the Cascade system.

A draft environmental impact report is expected early in 2006, followed by a 60-day public review period. The project and final environmental study could be considered by the NID board later in the year. Project design would follow.

The water project involves the Cascade system downstream from Pasquale Road. It is the second phase of a multiyear effort to improve a key water lifeline. In 2002, NID completed the \$18 million Upper Cascade Project on nine miles of upstream canal.

Divers Add Gate to Combie Dam



GOING DEEP: Doug Maxfield and John Eggleston of Big Valley Divers, Inc. of Chico prepare for a dive at Combie Dam.

Built in 1928 and 1929, Van Giesen Dam at Combie Reservoir doesn't have all the bells and whistles of today's modern dams.

But it is safer and better equipped thanks to a project completed this fall, by Big Valley Divers, Inc. of Chico.

Using a barge as their base and working 35 feet below the surface, the divers installed a new 36-inch hydraulic gate that will be used to release water through the dam.

A similar installation was completed earlier this year on the dam at Lower Scotts Flat Reservoir, which was also built in 1928-29.

Canals, *Cont'd from Page 1*

A key issue is a lack of "freeboard" in many district canals. Freeboard is a term used to describe the difference between the surface of the water and the top of the canal berm.

The consulting team inspected 17 major canal segments representing about 170 miles of canal and found that 12 of the 17 segments were running at or beyond their design capacity. It was determined that 19 canal segments would be inadequate by the year 2027.

Improvements needed on the 19 canal segments were estimated at \$16 million, a total that does not include the estimated \$16-\$20 million needed for the Lower Cascade Canal/Banner Pipeline Project which is now in planning.

In addition to the Lower Cascade Canal, which has been at capacity for several years, the Newtown and Rattlesnake canals were identified as high priorities for improvement work.

THESE CANALS ARE FLOWING AT 80 PERCENT OR MORE OF DESIGN CAPACITY:

Cascade
Chicago Park
Tunnel
Keystone
Magnolia III
Combie Ophir IV
Edgewood

Auburn Ravine I
Rough & Ready
China Union
Combie Phase II
and III
Gold Hill II

THESE CANALS ARE NOW EXCEEDING OR WILL EXCEED DESIGN CAPACITY BY 2027:

Rattlesnake
DS
Lower Grass Valley
Combie Phase I
Combie Ophir I
Combie Ophir II
Camp Far West

SOURCE: NID Raw Water Master Plan

NID Financial Reserves are for Specific Purposes

In recent years, there has been increased public attention paid to the cash reserves held by public water agencies in California. In the local area, questions have been raised about NID's reserves.

Over the years, NID's elected boards have chosen to maintain specific reserve accounts as an essential part of a sound, overall financial management program.

Adequate reserves are:

- Critical to the successful and stable operation of the water system,
- Needed for emergency protection and rate stability for customers,
- Important to the district's bond rating and ability to borrow money.

NID follows a set of policy principles on reserves established by the Association of California Water Agencies (ACWA). Under these guidelines, reserves are classified as 1) Restricted, 2) Obligated, or 3) Designated.

As of Nov. 1, NID held a total \$55.6 million in 17 reserve accounts. With the current year's \$8.8 million working capital fund included, the total increases to \$64.4 million. This compares to the district's annual budget of \$42 million.

• NID NEWS BRIEFS •

WILLIAMS LEADS BOARD. Division IV Director R. Paul Williams, of Lincoln, Placer County, is the 2006 president of the NID Board of Directors. He succeeds John Drew, Division II, of Chicago Park, Nevada County, who served as 2005 president. Vice president for 2006 is Scott Miller, MD, of southern Nevada County, Div. III. Rounding out the five-member elected board are George Leipzig, Div. V, of Lake Wildwood, and Nancy Weber, Div. I, of Nevada City.

NEW MAILING ADDRESS. Due to mail volume, NID has ceased using a post office box and is now using its street address for all mail delivery. Effective Jan. 1, the district's mailing address is: NID, 1036 West Main Street, Grass Valley, CA 95945. The district's phone numbers are: (530) 273-6185 and (800) 222-4102. Online information is at: www.nid.dst.ca.us.

PLACER OFFICE CLOSES. NID has closed its satellite office on Locksley Lane in North Auburn, effective Jan. 1, 2006. Officials said a low level of public use did not justify the costs of keeping the small office open. Customers who have used the office to pay water bills may use the payment drop box outside the gate at the site. Customers may also consider using NID's automatic payment plan to have water bills paid electronically by their banks.

NID Reserve Funds

Dam Failure Insurance
Unemployment Insurance
Accrued Leave
Medical Claims Liability
Rate Augmentation
Certificates of Participation (COPs)
Voter Approved Debt Service
PG&E Contract Improvement Fund
Improvement Districts
Bond Debt Service
Retirement Fund
Depreciation
Maintenance
System Improvement
Watershed Improvement

The system improvement fund at \$18.2 million is NID's largest reserve. Since water rates paid by NID customers do not include a replacement factor for aging system infrastructure, the district relies on this fund. NID's current three-year project list for system improvements stands at \$69 million.

We're Here to Help

PUBLIC SERVICE is NID's business. We're here during regular business hours to help with any questions you may have regarding your water service. We also are prepared for emergency response.

During business hours, your call will be answered by a friendly NID receptionist who will connect you with the person who can help you. Call (530) 273-6185 or toll-free (800) 222-4102.

For after-hours emergencies, our emergency number is (530) 273-3346. The answering service will relay your message to on-call NID personnel.

How to Contact Your Elected Directors

DIVISION I - Nevada City Area
Nancy Weber, (530) 265-0424

DIVISION II - Grass Valley-Chicago Park
John Drew, (530) 272-5257

DIVISION III - Lake of the Pines-Alta Sierra
Dr. Scott Miller, Call NID (530) 273-6185, ext. 222

DIVISION IV - Lincoln-North Auburn
R. Paul Williams (916) 645-8507

DIVISION V - Penn Valley-Lake Wildwood
George Leipzig (530) 432-2492

www.nid.dst.ca.us