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NID WaterWays

A Newsletter to the Customers
of the Nevada Irrigation District

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Growing Together

As Lincoln Expands Into NID Boundary, Agencies Work on Future Water Supplies

Since 1926, farmers and ranchers of the Lincoln area have relied on NID irrigation water for their crops and livestock.

Now, some of those Placer County farms and ranches are giving way to urban development and demand is changing from irrigation water to treated drinking water.

Simply put, the City of Lincoln is growing into NID's existing boundary and area of water service responsibility. *(Please see map on Page 3)*

In Planning Since 1997

District and city officials began meeting in 1997 to identify and plan future water needs for the rapidly-growing community. The district's primary goal is to ensure service *(Please see Lincoln, P. 3)*

Good Ambassadors



Met NID's new Ambassador Team, a group of 16 employee volunteers who have been training and studying all about the district, its history, operations and role in the community. The ambassadors will be available to represent NID in presentations to schools and community groups and at community events. The Ambassador program was established to help broaden understanding of the district both in-house and in the greater community.

NID AMBASSADORS

FRONT ROW, from left, Monica Reyes, Kristi Kelly, Sandra Hewston, Karen Blair, Yvette Dunn and Adrienne Davis. SECOND ROW, Ken Hart, Bill Schell, Bruce Lovejoy, Larry Markey, Matthew Crowe, Barry Scicluna and Paul Hopper. Not present for the photo were Randi Schaffer, Will Barker and Jerry Green.

General Manager's Report

New Program Will Help Neighborhoods Gain Water

By Ron Nelson



If you're reading this newsletter, you are probably a district customer, using drinking water produced at our water treatment plants or irrigation water delivered through our canal system.

Having a public water supply is a great advantage. But many of us have local friends or family members who live "off the grid," or away from the public water system. Some may have dry, marginal or failing wells, some may have no potable water at all, relying on bottled drinking water.

Remote Neighborhoods Could Benefit

Many of these friends and neighbors live within the 287,000-acre boundaries of the Nevada Irrigation District but in rural and remote areas far from the developed water system. Some live near canals but need treated drinking water.

NID is most aware of these situations. One year ago, in September, 2005, your elected Board of Directors declared its No. 1 priority to be expanding water service to areas of the district where it is not yet available.

In the year since, the district has worked hard on new policies and programs to help people bring water to their neighborhoods. The Neighborhood Waterline Investment Program is designed to help neighborhoods with the "upfront" costs that have been the biggest obstacle in expanding service.

The investment program envisions use of NID property tax revenues to help with early planning and design costs that could reduce overall project costs to property owners by 20 percent or so. The short term loss of tax revenue to the district would be offset by the larger customer base.

No Added Costs for Existing Ratepayers

The district's tax revenues are rebounding from the state tax shift of recent years so now is an opportune time to invest those funds in future customers. This is a positive way to build the district without placing costs on existing ratepayers.

Each year, the Board of Directors can look at district tax revenues and then determine how much to commit to the neighborhood investment program.

Thirty-six property owners at Rodeo Flat, southwest of Lake of the Pines, and up to 285 property owners off Cement Hill Road near Nevada City, could become the first pilot projects to benefit through the new program. Planning for those projects is now under way.

As NID supplies more customers, we contribute to the overall community good, in ways ranging from overall public health to economic opportunity and increased fire protection. Importantly, we will be better able to demonstrate to the regulators that our water is being used beneficially here in Nevada and Placer counties, thus strengthening our local area of origin water rights.

Water Storage is Good Heading Into 2006-07 Rainfall Year

As the 2006 irrigation season ended in mid-October, NID held 168,200 acre-feet of water in its 10 reservoirs, which is 109 percent of average for this time of year.

"Even though we are above the historical average, we will be conservative with our water releases this fall, as we always are in the fall," said NID Operations Supv. Sue Sindt. "It is too early to know what winter is going to bring."

Proposition 218 New Public Notice Process Seen for Rate Adjustments

Water suppliers across the state, including NID, are adjusting their budgeting and water rate-setting practices following a July, 2006 California Supreme Court interpretation of the voter-approved Proposition 218.

In effect, the new interpretation requires a 45-day notice to all affected property owners when a water rate increase is being considered.

In the past, it has been NID's practice to adopt rates and budgets for the new calendar year before the end of the previous year.

This year, the district is making plans for a new public notification process. It is expected that consideration of 2007 water rates will not occur until February or later.

Lincoln

Cont'd from P. 1

to NID lands in the Lincoln area.

A 2004 planning agreement called for collaboration on water system planning and resulted in a 2005 site study that identified a preferred site for a potential NID water treatment plant on existing NID property five miles northeast of Lincoln.

The city and district are now working on a new framework for collaboration on development of the new water system.

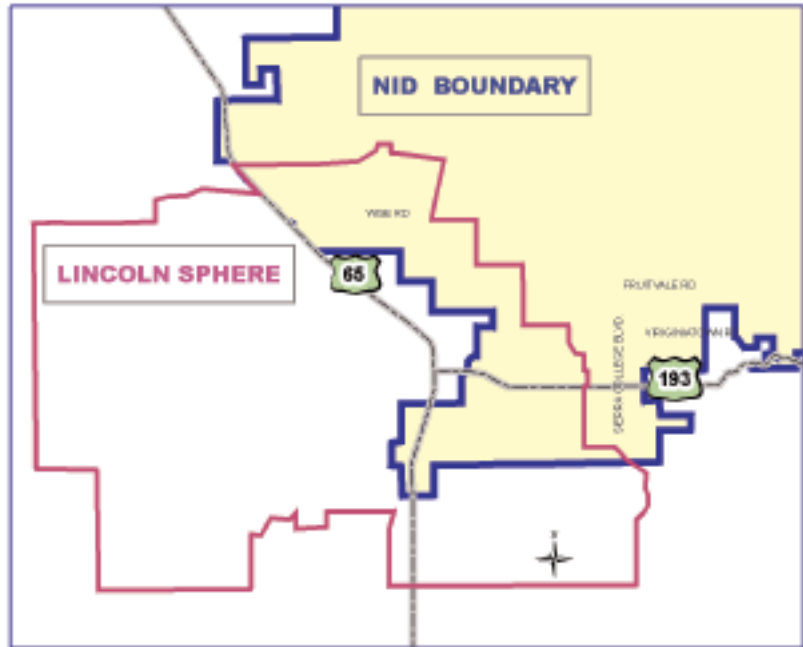
NID Retains All Water Rights

Under preliminary planning, NID would retain all existing district water rights and lands in the area, and in normal conditions NID water would serve the parts of the city that overlap NID boundaries. Expansion of district boundaries would not be allowed. The new water treatment plant would be planned and developed by NID and mostly financed by the city.

Lincoln NID Customers Will Enjoy Same Benefits as Other NID Customers

"NID water customers in the Lincoln area will be entitled to the same benefits and shares of water as other NID customers in Nevada and Placer counties," said NID Asst. General Mgr. Tim Crough.

The transition of Lincoln to treated water service is not unlike the transition in the 1960s and 1970s when NID built the North Auburn Water Treatment Plant to supply the North Auburn area.



This graphic shows how the City of Lincoln is growing into and overlapping NID's existing water service boundary.

Major System Upgrades Planned in Nevada and Placer Counties

NID is continuing work to improve aging water system infrastructure and is now planning 13 projects totaling about \$30 million that are expected to be completed over the next two years.

The current project list includes upgrades of the Elizabeth L. George and Loma Rica water treatment plants in Nevada County, replacement of eight flumes on the D-S Canal, also in Nevada County, and replacement of several treated water mainlines and raw water pipelines in both Nevada and Placer counties.

In addition to this work, the district is working on two significant system improvement projects; the Lower Cascade Canal/Banner Cascade Pipeline Project in Nevada County and the ongoing collaborative effort with the City of Lincoln to meet growing demand for water in NID's Placer County service area.

Cascade EIR Due in December

An environmental impact report on the Lower Cascade Canal/Banner Cascade Pipeline Project is expected to be complete and ready for public review in December.

The Cascade project is a major water system improvement designed to allow NID to deliver more water through the Cascade system to existing and potential customers in western Nevada County. The project would divert some of the water from the Lower Cascade Canal through a new buried pipeline across the southern flank of Banner Mountain. Construction is estimated at \$15 million.

In planning since 2001, the project is the second phase of an overall upgrade of the Cascade water delivery system. The \$18 million Upper Cascade Project was completed in 2002.

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• NID NEWS BRIEFS •

Bryerton Selected as NID's New HR Manager

Penn Valley resident Teresa Bryerton, *right*, joined NID in September as Human Resources Manager, succeeding Lynda Durand, who retired. A 12-year local resident, Bryerton brings 20 years of public sector experience in human resources. She holds bachelor's and master's degrees from California State University, Fullerton.



Flushing Program Opens

To maintain high quality water, NID flushes treated water systems on an annual basis. Systems are flushed during the winter when demand for water is lower. Crews will be flushing hydrants throughout the district from November through February.

Tiny Fraction of the Property Tax Assessment Rate is One Third of One Cent

NID directors in August approved a 2006-07 NID assessment rate of one-third of one cent per \$100 of assessed valuation, on land only.

The \$0.0033 rate is up slightly from the 2005-06 rate of \$0.0028. The small assessments are collected as part of the property tax in Nevada and Placer counties and are used only to repay voter-approved debt.

The 2006-07 assessments are expected to raise \$115,318 (\$80,423 in Nevada County and \$34,895 in Placer County), the amount needed for next year's debt service. The balance on the low-interest state loan being repaid through the assessments is \$653,447. The loan is scheduled to be paid in full by 2012.

District Offers Quick Response

NID takes pride in responding quickly to customer concerns and queries.

Has a canal on your property sprung a leak? Is water pressure down? Do you have a billing question? Questions about new services?

Call NID Customer Service at (530) 273-6185. Placer County customers may call toll-free (800) 222-4102.

For water emergencies after normal business hours, call (530) 273-3346. The Placer County after-hours emergency number is (800) 222-4102.

NID Marks 85 Years of Public Service

NID's first Board of Directors met Aug. 16, 1921 at the Bret Harte Inn in Grass Valley.



In 2006, NID marks 85 years of public service. How did it all begin?

In 1921, three key developments led to the district's formation:

- On Mar. 15, petitions with 800 signatures of folks favoring formation of an irrigation district were presented to Nevada County Supervisors.
- On Aug. 4, an election was held with Nevada County voters* supporting formation of the new district by a vote of 636-168.
- On Aug. 15, the district was officially established. The first NID Board of Directors met Aug. 16 in Grass Valley's Bret Harte Inn.

(* A wide area of Placer County joined the district in 1926)

Be Ready for Freezing Weather Pipe and Faucet Insulation

Are your water pipes and faucets insulated against freezing temperatures? NID recommends that customers check and insulate pipes to prevent possible freezing, breakage and costly repairs. Inexpensive pipe wrap is available from local building supply outlets.



Going Away?

If you plan to be away for an extended period of time during the cold season, the district recommends that you turn off your water supply at the customer valve on your side of the water meter. This can help avoid frozen and broken pipes and water damage to your home.

Your Elected NID Board

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

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