

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

February 8, 2017

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 8th day of February, 2017, at 9:00 a.m.

Present were Nick Wilcox, President (Division V); William Morebeck, Vice President (Division IV), Nancy Weber, (Division I); John H. Drew (Division II), and W. Scott Miller (Division III), Directors.

Staff members present included Remleh Scherzinger, General Manager; Greg Jones, Assistant General Manager; Marvin V. Davis, Finance Manager/Treasurer; Chip Close, Operations Manager; Keane Sommers, Hydroelectric Manager; Gary King, Engineering Manager; Jana Kolakowski, Human Resources Manager; Monica Reyes, Recreation Manager; Doug Roderick, Senior Engineer; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

MINUTES – January 25, 2017 Regular Meeting

Director Weber noted a typographical error on page 33 of the minutes.

**Approved the minutes of the regular meeting on January 25, 2017, as amended.
M/S/C Wilcox/Drew, unanimously approved**

WARRANTS

Approved warrants as submitted on check and payroll registers. M/S/C Weber/Morebeck , unanimously approved

RESCIND POLICY FOR IMPROVEMENT DISTRICT FORMATION GUIDELINE

Director Weber requested for clarification to be sure the District is not closing a door on the opportunity for someone to extend water lines.

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Gary King, Engineering Manager, shared that there has been a lot of time spent looking over this item. He explained that if the current policy was implemented, it would significantly inhibit the District's current operating model which seems to be working very well. He is happy to bring this item to another committee to discuss, if that is what the Board wishes. Mr. King added that he does not see any value to this policy, and feels it is actually more of a burden to staff.

Director Miller said that his only concern is that the policy be archived for historic reference.

Remleh Scherzinger, General Manager, stated that the policy would be archived, and that it would simply no longer be a policy of the District.

Mr. King added that rescinded policies do not just disappear, and that they are kept in the records, but these policies are no longer given as guidance for staff to operate.

Director Weber recalled a previous comment made by Mr. King that may have been helpful to see, which explained that the upfront engineering costs were so much that people could not initiate it.

Mr. King shared that the Engineering Department has been given a budget for the Community Investment Program over the past four or five years to cover start-up costs, which were previously a burden to those projects.

Mr. Scherzinger added that this is a part of the older process that was more onerous on the homeowners in the community than the current process. He shared that now with the District Funded Waterline Extensions, term payment agreements and the backline extension program. The District has a very robust commitment to the community to extend these water systems, and consequently it no longer needs policies related to establishment of improvement districts. However, should those systems be needed in the future, this format is still part of the District's past, and may be resurrected whenever the Board would like.

Approved rescinding and archiving for historical reference the Policy for Improvement District Formation Guideline as recommended by the Engineering Committee on January 17, 2017. M/S/C Weber/Miller, unanimously approved

CUSTOMER ACCOUNT ADMINISTRATOR POSITION MODIFICATIONS

Chip Close, Operations Manager, explained how the recent reorganization of Customer Service and Cashiering into the Operations Department was completed in an effort to consolidate and find additional efficiencies. The creation of a Dispatcher position was the first step towards these goals. The next proposed modification includes an addition to the Customer Account Administrator position.

Mr. Close explained that the first position he proposes to be transferred under the authority of the Customer Account Administrator is the Business Services Technician. He shared that this position currently performs a very high level of customer service in dealing with businesses, contractors, community groups, and

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various regulatory agencies. Moving this position underneath the Customer Service Department will once again help to unify the District's customer service messaging and will adjust the structure within the department. Currently, the Business Services Technician reports to the Operations Manager, and it does not fit the normal structure within the District. By transferring this into Customer Service under the Administrator position, it will more closely mirror the District's normal structure.

Mr. Close shared that the other position being proposed to transfer under this structure is the Water Efficiency Technician. During the drought, the Water Efficiency Technician worked very closely with the Customer Service Department, directed the work of some of the meter reading crew to help get the conservation messaging out to customers, and was also utilized to investigate reports of water waste and items of that nature.

Mr. Close stated that moving forward the District is converting the meters to cellular read, which should free up some time for the meter readers to work even more closely with the Water Efficiency Technician. Moving this position into customer service seems to be a more natural fit.

Mr. Close said that upcoming conservation regulation is going to require the District to more closely scrutinize its water service accounts, and classify them based on their usage. This is currently done in Customer Service, but in the future will be a function of the Water Efficiency Technician.

Mr. Close explained that this position was in need of a compensation adjustment even before this proposal, based on the tasks that were already performed. He further explained that the current position of Account Administrator does much more than the title implies, including being in charge of supervising cashiering; supervising the meter reading crews; handling of all cash coming into the District, including cash receipts from recreation; performing all billing; working very close with accounting and assisting accounting during water audits. With all of that in mind, along with the proposed additional duties, it further justifies the need for a compensation increase.

Mr. Close went over the compensations for similar positions at neighboring agencies, and pointed out the similarities and differences between them. He shared that the research shows the compensation of the position being proposed is a little less than the managerial positions, and a little more than some of the supervisory positions. Mr. Close shared that when he compared the pay scale to Placer County Water Association (PCWA), he also read their job description, and found it is a lesser position. The compared PCWA position does not have the same duties as those being proposed for the District's new position. He added that the District's proposed position more closely mirrors a Deputy Director of Customer Service at PCWA, and the pay scale for that is substantially more at \$100,000.

Mr. Close also proposed that along with these other changes, the title of this position be changed to a Customer Service Administrator, as it more closely mirrors all of the duties that this position will be doing. Mr. Close added that this item has been approved for recommendation with both Administrative Practices Committee and the

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labor union, American Federation of State, County and Municipal Employees (AFSCME).

Director Weber asked how the position would be filled and if it would be advertised or filled by existing staff.

Mr. Closed explained that the position currently exists. He shared that it was previously filled by Monica Reyes, who is now the Recreation Manager, and that it is now filled by Aurora Tipton.

Remleh Scherzinger, General Manager, added that the no recruiting will be necessary, as the position is already occupied.

Director Miller inquired about some confusion in the Proposed Operations Organization Chart that was submitted as part of this item. From looking at it, the change was not clear. He also inquired if the proposed position will not change the number of full-time employees (FTE's).

Mr. Close explained that there was an error on the Proposed Operations Organization Chart that showed the Water Efficiency Technician in Water Resources, and it should have been moved over. He clarified that this proposal is to adjust structure and duties, and that there will be no change in the number of FTE's.

Mr. Close added that the increased salary expense to the District would be greatly offset by the savings realized by the recent elimination of an Operations Technician position and creation of the Dispatch position.

Approved modifications to the Customer Account Administrator position, and the corresponding title change as recommended by the Administrative Practices Committee. M/S/C Drew/Weber, unanimously approved

PLACER COUNTY / NID TAX SHARE AGREEMENT

Chip Close, Operations Manager, shared a brief history dating back to 1926, when the District held a vote amongst the Placer County parcel owners to determine their interest in joining the District. At that time a large majority of the property owners signed onboard, and thus the District expanded into Placer County. There was a small group of owners who elected at that time to not become part of the District, which led to exclusionary islands within the District service area in Placer County. The lands that did become part of the District all agreed to join in a tax share agreement with Placer County and NID, and a portion of their incremental increase in taxes have been coming to the District since that time. The parcels that were in exclusionary islands did not have this tax sharing agreement. Therefore, they could not be annexed into the District lands, could not partake in the District's voting process, and really could not access District waters. If they were able to access due to Railroad Commission Order, or by similar method, they would need to pay a twenty-five percent mark-up on their water.

Mr. Close explained that this is how it has been for many years. Then in approximately 2005, a developer came in and built a housing subdivision within one

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of these exclusionary islands. This developer wanted to tie in to one of the District's water mains that was right in front of his property, so the District tied everything together and attempted to come up with a tax share agreement with Placer County. At that particular time, the County of Placer had some financial concerns, they were not interested in extending a tax share agreement, and everything was put on hold. This led to a moratorium on sales to properties located outside the District boundaries. Without the tax share agreement in place, the District could not annex these parcels through the Local Agency Formation Commission (LAFCo).

Mr. Close shared that more recently the District has had an increase by both county and private property owners to annex in these exclusionary areas, because there is an interest in NID water service. This brought NID and the Placer County back to the negotiations table, and after many meetings and discussions, he feels it has come to a solution that is beneficial to both parties.

Mr. Close shared that the agreement basically states that ten percent of the incremental increase of the County's general fund tax revenue will be conveyed to the District following the annexation of these parcels. He shared that this is very similar to the agreements in place with Nevada City and Grass Valley. The District has agreed to reinvest the revenues received back into Placer County, and more importantly, into the unincorporated areas of Placer County, which is really what this fund is for.

Mr. Close stated that once the agreement is ratified by both agencies, the District will work closely with Placer County LAFCo, to begin the annexation process for the areas that have expressed an interest. The District plans to work on annexations in groups rather than individually, as it would be a daunting task to annex properties one at a time.

Mr. Close publically thanked Michele Kingsbury, Senior Planner at the County of Placer, for all of her work and efforts in the negotiation process to get the District to this point.

President Wilcox requested clarification that the increment is ten percent of one percent. In other words, the monies coming to the District will be a tenth of one percent of the property taxes, which is not a large amount.

Mr. Close confirmed that this is correct and that it is to come from Placer County's General Fund.

President Wilcox requested clarification as to the potential future NID investment of \$500,000 in infrastructure that the District is agreeing to invest in Placer County. As he understands it, this investment will be offset and recouped by the District in a shorter amount of time from items such as capacity fees, and not by the monies generated from taxes.

Mr. Close stated that this is correct, and that as customers connect to the new extension of the main line, the District will be reimbursed for some of the cost of that infrastructure.

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President Wilcox expressed his appreciation to Remleh Scherzinger, General Manager, for staying on this item.

Remleh Scherzinger, General Manager, replied by stating that it could not have been done without the help of Michele Kingsbury and Placer County staff.

Director Weber asked how this compares to the arrangement with Nevada County.

Mr. Close stated that the arrangements are almost identical. He pointed out that the parts that are different are the promises for reinvestment into Placer County and the promise for the infrastructure improvements.

President Wilcox said that the District had already agreed to that, and that it was already in the budget. The District has just been withholding spending it.

Mr. Close confirmed that for the infrastructure upgrades, this is correct. It has been in the District's Master Plan for some time.

President Wilcox added that it has been talked about for years in the Engineering Committee, and that it has been understood for some time that the area needs this infrastructure. He added that there are businesses that would like to go in there, and that the capacity fees should materialize sooner rather than later.

Remleh Scherzinger, General Manager, responded to Director Weber's previous question, clarifying that this agreement is essentially the same as the agreement with Nevada City, Grass Valley, Nevada County, and now Lincoln. He added that it finally builds out all of the bricks of tax sharing that are necessary as part of this process. He agreed with Mr. Close's statement that the District agreed to invest these funds in Placer County, and that the additional pipeline is necessary not only for the District, but also for the DeWitt Center.

President Wilcox stated that he looks forward to reporting to LAFCo that this has taken place.

Director Morebeck asked about the individuals that are in farm areas, and if they are automatically included or if they have to apply, and if they will be notified.

Mr. Close said that they will not be automatically included, and the District will not go into the annexation process unless the parcel owners want it. A letter will be sent to all property owners in the exclusionary islands letting them know that this is now a possibility, and it will be at the request of the property owner. He added that the District has already had a lot of calls from property owners in these exclusionary islands asking when the District would have this done so that they could get water service. The District will be proactive in this regard, but the property owners will not be forced to join in if they are not in agreement.

Mr. Close added that the District will be trying to gather applications for the most blocks of land as possible at a time. For example if there are four parcels in a ten parcel area that is exclusionary, the District will reach out to all of those ten to see if they would all join in at once, in order to reach a better level of efficiency.

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Director Miller inquired if the individuals would be able to band together as a group and do a cost share.

Mr. Close said that it is a standard rate, and for the District it is more about a level of efficiency through the LAFCo process that makes it easier for everyone in the long run, and can be done by consolidating as many together as possible at a time.

Director Morebeck mentioned that those at a farther distance from the canal may not be able to get water.

Mr. Close confirmed that those challenges will still exist.

Director Morebeck asked if the \$500,000 includes environmental review.

Mr. Close clarified that the \$500,000 does include planning, environmental review, and all of the processes needed to assess and potentially implement a mainline extension out to the DeWitt Center.

Director Morebeck and Director Miller requested clarification about the District on the maps included in the report. Director Miller asked that a presentation be made to the Board of Directors in the near future to fully understand the parameters and more clearly define the District.

Discussion followed regarding locations on the boundaries and areas of exclusion on the map.

Mr. Close stated that he could come back to the Board with a presentation that would more clearly define the exterior District boundary and provide clarification.

Director Morebeck inquired as to Bickford Ranch and if any portion of it is in the District.

Mr. Close stated that there is a very small portion of Bickford Ranch that is located within the District's boundary. However, should the District want a tax share agreement for that area, it would need to be done through another means, such as a Mello-Roos, since the County has already accounted for all of the tax revenue in that subdivision, and they are utilizing it for services rendered to that area.

Director Weber felt it was important to mention also that the \$500,000 improvement in the infrastructure has to occur within three years, and so there might not be enough capacity fees in that time. In which case, it may need to be considered a budget item that is beyond capacity fees.

Remleh Scherzinger, General Manager, stated that the District will be using capacity fees that are currently in the account to do the work, and then the District can reclaim the money and put it back into the account.

Discussion ensued regarding availability and reclaiming of capacity fees.

Director Weber asked for clarification if the property taxes received by the District from Nevada County are special district taxes, and that all special districts share a one percent of the taxes. She asked if Placer County is the same situation.

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Mr. Close said that through the agreement with Placer County, the District has agreed to separate out the fire and libraries, but that basically the General Fund itself is where the ten percent comes to NID. He called on Michele Kingsbury to help shed light on this inquiry.

Michele Kingsbury, Senior Planner for the County of Placer, explained that the agreement basically set forth is ten percent of the increment that the county receives of the one percent. Therefore, if the County averages thirty cents on the dollar, it would be ten percent of the thirty percent, and would not include any funds that the County receives in their fire control fund or library funds. She added that these funds they currently have are very stressed, and it does not include those funds. It is just the amount that the County gets for the General Fund.

Director Weber asked if it includes redevelopment money.

Ms. Kingsbury explained that there is only one area where there is a redevelopment overlay that she believes is Exhibit C. The redevelopment through the dissolution includes the tax increment that goes to the redevelopment agency, and goes to pay any bonded indebtedness that is currently outstanding, which is why it is identified within the agreement as "superior debt". Anything that is related to their redevelopment operations schedule, such as outstanding debt or obligations that are included on the schedule are considered superior debt, and they are obligated to pay those. Ms. Kingsbury extended her thanks to Chip Close and Remleh Scherzinger for sticking through this with her.

Director Miller requested a re-presentation of the maps for a clearer understanding of the exterior boundary of the District.

Mr. Close said he would be glad to give a presentation to the Board displaying the external boundary of the District on the maps to help clarify where the one small overlap parcel occurs.

Adopted Resolution 2017-05 approving a property tax sharing agreement with the County of Placer for exclusionary parcels to be annexed into the District's boundary, and authorize the General Manager to execute the agreement. M/S/C Miller/Drew, unanimously approved

BEAR RIVER SIPHON REPLACEMENT PROJECT – APPROVAL OF CONSTRUCTION CONTRACT

Doug Roderick, Senior Engineer, shared that the Board recently approved the bonds to be able to pay for this project, and the Bear River Siphon is the first phase of the project. Mr. Roderick explained that in August of 2016, prequalification packages were sent out by the District to prequalified contractors. He added that this project is a little unique, and not the standard type of project. He shared that there were nine contractors that submitted prequalification packages, and after reviewing them, all nine contractors were approved. Mr. Roderick explained that the prequalification package that was used basically contained the guidelines from the Dept. of Industrial

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Relations that have already been adopted, and then were modified for this particular project.

Mr. Roderick explained that in November of 2016, the documentation was sent out for the contractors to bid on. There was also a pre-bid meeting and a site visit. He said that in January of 2017, five contractor bids were received, which ranged from Kiewit Infrastructure West Co. at \$6,198,000 to T&S Construction Co., Inc. at \$10,176,445. Mr. Roderick explained that what is seen a lot in terms of values and discrepancies in bids from these contractors is constructability, which has really been the driver for this project all along. There are a lot of different ways for contractors to figure out a way to build this facility, and so that this why there is such a big difference between them. They all look at it a little differently in terms of how to construct, and what kind of equipment that can be used. Mr. Roderick added that Kiewit Infrastructure West Co. is quite a large contracting company, is well resourced, and that staff is very comfortable with their bid.

Mr. Roderick also pointed out that since this is above the \$4 million dollar amount, the local business requirement in in the District's contracts. He was happy to report that Kiewit Infrastructure West Company came up with almost 14% that will be local business as part of the overall \$6,198,000 contract, which equates to \$867,720 to local folks.

PUBLIC COMMENT – Zucca

Bob Zucca, representing Nevada County Contractors Association (NCCA) and the local building community in Nevada County, extended thanks to the District and the Board of Directors. He shared that this local preference that the District has come up with is phenomenal. Mr. Zucca shared that NCCA could not say enough, and that they are so excited as a community and as a county to be able to participate in District projects. He added that his business is not participating in this particular project, but they have participated in many projects with Nevada Irrigation District, and feels it is a great organization to work with all across the board, from the staff to the Board of Directors. He shared a very heartfelt thank you to the District and wanted them to know that they are greatly appreciated.

Director Miller mentioned that the Board really does try to support local business by implementing a local business requirement, and that on the Centennial Project the Board has requested that the percentage be up to twenty percent.

PUBLIC COMMENT – Allen

Keoni Allen, Nevada County resident, thanked the Board for the local business policy. He added that although he is not in this type of work and not benefiting, he is involved in the community, sees the impacts from this policy and how the money spreads through the community. He stated that no matter what economic multiplier is used, it is a huge impact on this small little economy here, and it means additions to the local tax base, and allows some of the smaller companies to hire employees. He feels that the simple fact that the District recognizes this policy and promotes it

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shows how connected and how caring the District is of the community, and he expressed his sincere thanks.

Director Drew complimented and congratulated Mr. Allen on the wonderful article about his son in the paper.

Awarded construction contract with Kiewit Infrastructure West Co. in the amount of \$6,198,000, and authorize the General Manager to execute the appropriate documents. M/S/C Drew/Miller, unanimously approved

CUSTOMER SURVEY

Remleh Scherzinger, General Manager, explained the purpose of the proposed survey item, which is develop guidance for staff regarding the request by Director Miller to survey District customers concerning costs of live-streaming. He shared that the survey being presented was approved by the Administrative Practices Committee, and that it is being presented at President Wilcox's request.

Director Miller shared that he did request the survey, and that the initial proposal came to the Board curiously, stating what the District should be doing and what it would cost. He feels that the costs from that initial proposal seemed quite prohibitive and that the contract was exorbitant. Mr. Miller said he does not mind having his picture taken, but does mind having to pay someone to do it. He recalled that for a number of years there was a person who would take photographs during Board meetings at the District, and it was accepted. He shared that he was curious why the District is now looking at paying for filming, and if that is really what the District wants to be doing. He shared an example of when he was in the waiting room at a hospital, and saw a public meeting come up on the television screen. He recalled thinking that this format would serve the purpose of giving a bird's eye view of Board meetings, and possibly be a whole lot less expensive than the proposal that was previously and unceremoniously put before the Board. He shared that what he was really asking was to work it out, to see what people really want and at what cost.

Director Weber shared that she was on the Administrative Practices Committee (APC) with President Wilcox, which is not mentioned on the report. She shared that there was a fairly comprehensive, six-page report provided to them at that APC meeting by JR Lewis, IT Analyst, and that it provided a list of options. She did not believe that the report had been shared with the rest of the Board, and that it should be reviewed by the entire Board. She believed that the cost Director Miller was referring to that were so high were the Nevada County Television (NCTV) estimate. Ms. Weber pointed out that there are many other options than that listed in the report, and that the Board should look at the report prior to continuing on with a live-streaming survey. She expressed that this has gone on for almost a year, and regardless of how it was presented, it needs to be dealt with effectively. She felt it has not come out of committee in an effective way.

Director Miller stated that his critique of the initial survey he saw was that it was bias, and the proposed survey now being presented seems more generic.

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Director Weber made a formal request that this item come back to the full Board, along with the report prepared by Mr. Lewis, and that all materials be distributed to the Board in a packet so that there is time for Directors to review.

Director Miller inquired as to a ball park price in the report.

Director Weber replied that there were many options.

Mr. Scherzinger stated that the item currently before the Board is the survey, and asked for clarification if the request for the survey is being rescinded or if it is being held.

Director Weber suggested that the survey be held.

Director Drew said that he thought the survey should be integrated into the information previously prepared by Mr. Lewis, then shared with the Ms. Weber and the Administrative Practices Committee, and then brought together as a whole to be shared with the entire Board.

Mr. Scherzinger confirmed that Mr. Lewis's work would be brought back along with the survey, and the item would be discussed as a whole at that time.

President Wilcox shared that he would like to get a sense from the Board about moving forward with a survey at all. He felt that this has not really been spoken to, and personally thinks it would provide useful information.

Director Drew shared that with the number of handheld devices out in the world today, there is no shortage of availability of getting this done by just having public in the audience holding up their handheld device. His concern is that the live-streaming item has been brought in under the umbrella of transparency, and an entity is either transparent or not. He stated that live-streaming does not do anything to change transparency, and the only thing it changes is ability.

Director Miller stated that his initial concerns are that it is an expensive proposal, and difficult to justify if not availing to everyone.

Mr. Scherzinger noted Director Weber's comments that Mr. Lewis has done a lot of ground work for the District, and that the report she has referred to will illuminate a lot of that.

President Wilcox suggested that the Board make a decision on the survey, and get all of the financial information all at the same time. He felt this should be a fully flushed out Board item, where a decision can be made on the whole thing. Mr. Wilcox shared that it has been somewhat looming in the background for a period of time, and he would like to see it resolved.

Mr. Scherzinger confirmed that the information and survey will be presented at the same time as requested by President Wilcox. He added that this item has been brought to the Board three previous times, but not with this information.

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Director Morebeck asked if the information will track the areas where live-streaming would be available to the public. He shared that in Placer County, for example, the whole rural area is very difficult to reach.

President Wilcox replied that it likely depends on what platform is being used.

Mr. Scherzinger stated that JR Lewis will illuminate this issue, and has done a very nice job. He will bring back Mr. Lewis's report and the survey to the Board at a later day, possibly in the next session or so.

Director Morebeck asked if it would be important to put the cost in the survey.

Director Drew stated that he is not willing to spend a dime of tax payer money on live-streaming video, when there is so much potential for that mission to be accomplished just on a public level of members sitting in the audience. He added that it might be counter-productive and might cause the Board to be less transparent knowing that filming is going on.

Mr. Scherzinger said it is for the Board to decide, as it is the Board's survey. He does not know that the question to pose to the rate payers of whether there is a dollar figure or not will yield a different result. He reiterated that Mr. Lewis's report and the survey will be brought back to the Board in the future.

PUBLIC COMMENT – Thomas

Richard Thomas, an interested citizen, introduced himself as a seasonal raw water customer of the District who appreciates that service, and said that he thought it was a great one. He shared that he spent part of the previous night writing notes and wrote some more this morning. However, he now feels that none of these notes are relevant anymore after hearing the Board's discussion. He appreciates comments by Director Weber and all of the Board Members.

Mr. Thomas stated that he attended an Administrative Practices Committee (APC) meeting on February 7, 2017, where he learned quite a bit of what is available already in terms of minutes and agendas online on the District's website. He also learned that the District was moving forward with making their website more user friendly, and that they would like to include all of their different websites that serve different functions. He also learned that NID has a You Tube channel. He feels that the dissemination of video through You Tube is one of the very affordable ways that JR Lewis, IT Analyst, suggested in his report in which the District might pursue in terms of cost savings.

Mr. Thomas shared that after that APC meeting he contacted Mr. Burns, who he met hiking in Arizona once. He explained that he has since come to know Mr. Burns better through these NID meetings, and that prior to leaving for several months on a fishing trip, Mr. Burns had contacted Mr. Thomas to request his help in expediting this process through the Board.

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Director Miller inquired as to who Mr. Burns is and what committee, if any, he is associated with. He asked if Mr. Burns had signed the original letter to the Board about live-streaming.

Mr. Thomas stated that he, Mr. Peter Burns, and many others, including The League of Women Voters, The Federation of Neighborhoods, and South Yuba River Citizens League (SYRCL) are members of the committee that put forward the live-streaming request last spring. He stated that Mr. Burns did not sign the letter sent to the District, but he was an advocate for it.

Mr. Thomas explained that he met with Mr. Burns and went over a number of things. He said that a couple of people have stepped up to re-write the survey. Mr. Thomas shared that he also rewrote two versions of the survey, one is from scratch and one is a re-write of the proposed survey that is currently being presented. He stated that there is a conflict between that survey and the request, as the request was to broadcast the Board meetings, not the four monthly committee meetings. Mr. Thomas said that the committee meetings are much more personal situations.

Mr. Thomas explained how sitting through the APC meeting recently with Director Wilcox and Director Morebeck made him believe that the committee meetings really did not need to be video streamed or archived, and that they are a different level of meeting. He said that the two monthly Board meetings are the ones that the organizations requested be streamed and archived permanently for long term reference. He stated that minutes do not accurately reflect everything that goes on in a meeting. He shared an example of how he went back through the minutes to find out what happened at the meeting that resulted in this survey, and that the only reference in that meeting was to comments made by Mr. Miller. He said there were other comments and discussions from that meeting that were not included in the minutes, and felt that those minutes were incredibly lacking. Mr. Thomas went on to say that an archived video of that meeting would have given the complete picture. He said that with live-streaming a person such as himself, who wanted to go back and clarify information from a previous meeting, would have ample opportunity, and could take the time to find it.

Mr. Thomas suggested moving forward with live-streaming, and said his feelings closely parallel with Director Weber's, which would be to possibly form committee consisting of NID staff, Federation of Neighborhoods, League of Women Voters and SYRCL, to actually hammer out what this would look like. He has his own suggestions of what it would look like, which include video live-streaming, archiving of that video of just the Board meetings, and available minutes online from all committee meetings, so that people do not have to come in to the office to request them, which he learned yesterday. He said that this is the only way that the public can get copies of past minutes to the committee meetings, and there is no audio or video record of them. He shared that he thought in some places there will be people who are interested in what goes on at the committee meetings, and that many people are not aware that they can be requested. Mr. Thomas said that he would like to see streaming the Board meetings live for people that cannot attend, archiving the videos for people to look at later or research, making the agendas available long-

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term online, making minutes from all meetings available online and for the District to retain the agendas and minutes, just as the video of Board meetings would be retained. Mr. Thomas said that he thinks that The League of Women Voters, The Federation of Neighborhoods, SYRCLE, Mr. Burns and himself, and any other interested parties that have been interested already or would like to get interested, could hammer out what they think is necessary, and can approach the Board with a more specific request that the Board can deal with, or everyone can sit down together and hammer it out. He stated that the Board is the decision makers.

Director Miller stated that he thinks what Mr. Thomas is asking for is to have this agenzized to a committee. He shared that live-streaming is really not a big issue for him, and that his issue is about the cost. He said that more work gets done at the committee level, where it is more of a free style, and he agreed that it would be helpful to agenzize this to a committee.

President Wilcox stated that the item was delegated and discussed in the Administrative Practices Committee (APC) meeting. He was not comfortable with APC making a recommendation to the full Board at that time, and he basically held out for bringing it to the full Board. He shared that he knew there was a diversity of opinion on the Board, none of which was represented on APC at that time. He thinks that the committee in this case is the Board as a whole. Mr. Wilcox asked Mr. Thomas if archiving the audio files of Board meetings would satisfy the overall intent of this request.

Mr. Thomas stated that this is not a question that he can answer on behalf of the Federation of Neighborhoods, The League of Women Voters or SYRCL. His own personal opinion is that audio files of the Board meetings would not satisfy the overall intent of the request.

President Wilcox said that he can understand the difference between an audio archive and a video archive. The difference is only that some significant percentage of communication is in body language, and an audio archive does not adequately capture that. He would like to know what is important, what is said or what is not said.

Discussion followed about habits and if listening is better while looking out the window or not.

Director Weber shared that in another life Mr. Thomas worked with some of the most difficult special education junior high school kids in the county. She asked that Mr. Thomas introduce some of the other committee members in attendance.

Mr. Thomas suggested that he let the other committee members in attendance introduce themselves.

PUBLIC COMMENT – Burns

Peter Burns, member of the public, said he is relatively new to the area, and is a transplant from the Bay Area. He shared that when he moved to the area, approximately five years ago, he began looking at the city council meetings, Board

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of Supervisors meetings, and starting asking around about why the same level of service wasn't available at NID. These conversations have turned into what they have hoped to be a good formal proposal to start the conversation of live-streaming. Mr. Burns thanked everyone for the conversation in moving live-streaming along, and said that he looks forward to it progressing.

Director Miller asked for clarification of what area of comparison he is referring to.

Mr. Burns clarified that he was referring to city council meetings and Board of Supervisor meetings in Nevada County. He added that in the Bay Area this is very common and pervasive in the way things are done.

PUBLIC COMMENT – Williamson

Helen Williamson, with the League of Women Voters introduced herself and shared some background on how this item of live-streaming got started. She explained that the whole mission of The League of Women Voters is to provide thoroughly researched and documented information on issues that are of interest to the local people. They encourage informed participation in the political processes of the community, the state and the nation. League members participate in studies of current issues that affect everyone, and try to learn from facts behind today's issues, and how the government really works. She stated that they have been involved in that for a long time.

Ms. Williamson shared that in February of 2014, the League decided to have monthly programs about valuing watersheds. From this, she learned a lot of things that she had previously had no idea about, such as what the responsibilities of Nevada Irrigation District are. She said that some of the things that she saw in the paper or in letters to the editor, she discovered were completely based on lack of knowledge, lack of information and were sometimes based on anger about people stealing water, who originally had a right to it. She said it was an interesting program, where they invited different people, including Remleh Scherzinger, General Manager at NID, who came and gave a great presentation that was valued by everyone. She shared that Mr. Scherzinger gave an excellent presentation about the facts of what NID is responsible for and what they are not responsible for. Ms. Williamson shared that Caleb Dardick was there as the Executive Director of the Save the Yuba River Citizens League (SYRCL), and Izzy Martin was there as the Chief Executive Officer of the Sierra Fund. They were representing different points of view, different responsibilities in the area and the community, and sharing information. She stated that The League of Women Voters does not tell anyone how to vote. They simply try to get accurate information to share, such as the program about valuing our watersheds.

Ms. Williamson explained that The League of Women Voters were the ones who wrote the original letter asking the Board for the kind of transparency that other agencies provide. They realized that there are many people who would be very interested, since everybody who lives here is affected directly by what the District does. She said that people need to have information so that they will not go around

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blaming the wrong people for how decisions are made. In looking at how the other government agencies work, they had to find out how they are funded, and it was discovered that all city council and Board of Supervisors meetings, and such are all live-streamed and archived. She shared that the questions then were if this could be done, should it be done, and how can it be done for the NID Board, since it has such major responsibility in so many lives. Ms. Williamson shared that this is why the letter was originally written, and to encourage informed participation in the political processes of this community.

Director Miller asked if the original letter spelled out a plan of how much it would cost.

Ms. Williamson replied that it did not include costs.

President Wilcox said that in the first meeting there were representatives in attendance from NCTV, who had some idea. He thought that the District has pretty much moved on from NCTV because there were significant costs associated with their services, and the level of outreach into the community was very limited.

Ms. Williamson shared that the impetus for the original letter came from a genuine desire to provide accurate information to people in this community about why things are the way they are, and how people can influence what happens in their community.

President Wilcox stated that this is what JR Lewis has done. He has looked at other platforms of getting the message out there, and they all have different costs associated with them. He stated that Mr. Lewis has worked that out, and the Board really needs to hear the full picture from him.

Ms. Williamson agreed with President Wilcox.

PUBLIC COMMENT – Thomas

Mr. Thomas stated that he spent several hours with Peter Burns on February 7, 2017, after the APC meeting, rewriting the survey that reflected the two Board meetings and not the committee meetings for videoing. He shared that they also worked on numbers, using Mr. Lewis's very extensive and well written report. Mr. Thomas stated that they hammered out some numbers and agreed that there are affordable options. He went on to say that if Mr. Burns decides to share his numbers with the Board, to keep in mind that he estimated high at every opportunity.

President Wilcox stated that we should table this item for later and probably should not hear those numbers at this time.

PUBLIC COMMENT – Gore

Bob Gore, Co-Chair of the Federation of Neighborhood of Associations (FONA), presented his card to Director Miller.

Director Drew stated that there is an agenda item and the agenda is clearly defined. He requested that the agenda be followed to move forward on Director

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Weber's recommendations, Mr. Lewis's recommendations, and on Director Miller's observations. He added that one of the things the Board wants to accomplish in all of this is the attempt to be more visible (not transparent, as transparency is not going to change) and to stick to the agenda items. He expressed his admiration for Mr. Gore, and asked him to please be as brief as possible.

President Wilcox stated that Director Weber had asked that the participants in the group introduce themselves, and that is what he thought was trying to be accomplished. He asked that speakers please tell the Board a little bit about what their interest is and to please keep it brief.

Mr. Gore stated that he is the Co-Chair of FONA, and that an election was just held on February 7, 2017. Mr. Gore said he has been the Chair of FONA for about seven years, and he is now Co-Chair with Doug Holman, whom he pointed out in the room, for the next year. Mr. Gore stated that Mr. Holman will be taking over for him. They represent fourteen neighborhood associations, and have a large group of people who discussed at their recent meeting about Mr. Gore speaking on this issue today. He shared that it was a unanimous vote from the members for him to speak on behalf of the fourteen organizations. Mr. Gore felt it would be good if a committee meeting could be formed for all parties to get together and discuss the live-streaming topic in a round table fashion, and thought that together some of the issues could be worked out.

PUBLIC COMMENT – Branstrom

Bob Branstrom, resident of the city of Grass Valley, stated he was delighted that NID wants to reach out to the public with a survey, and he would like to see much more of this with issues that are coming before the Board. He said if more information is available as mentioned by Director Weber, he would be delighted to see that and see that information included and available to the public.

Mr. Branstrom shared that he felt that the survey being presented was very weak as it is written. He said that two of the three questions are irrelevant. He pointed out the second question that asks if City Council meetings are regularly watched on the public access channel. The cities of Grass Valley and Nevada City are not part of the District, so he feels that NID customers would have very little reason to watch those meetings in the first place. He believes that a better question to ask might be if as a member of the District, if the customer would like to see Board meetings broadcast so they can see them.

Director Drew interjected that he felt these are the kinds of things that should be brought up at the committee meetings and discussed there. He expressed that they will not be defined in this setting, and felt that it was not the appropriate venue to discuss them.

Mr. Branstrom replied by stating that this was feedback on the proposal that is currently before the Board. This is the proposal that is before the Board. He is offering feedback and inquired if he may continue.

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President Wilcox stated that he felt the Board has made a decision to delay this matter and to bring it back with more information. He shared that he appreciates Mr. Branstrom's edits to the questionnaire and has a number of them himself.

Mr. Branstrom stated that because it is going back to the staff for later presentation, he thought it would be helpful to get input on how to make a better survey.

President Wilcox shared that perhaps a workshop on the matter may be needed at a later time, where these items may be discussed in more depth.

Mr. Branstrom said that a workshop might be useful, but if the public is going to be asked their opinion on costs, cost information should be included in the survey.

President Wilcox thanked Mr. Branstrom and stated that his comments are well taken.

Mr. Scherzinger confirmed that the direction to staff from the Board of Directors at this point is to bring Mr. Lewis's report to the full Board for his presentation and to include the survey as it stands now for edit and comment from the Board.

Director Miller stated that he really has not been intimate in this whole process, is not bias, and would like to not be the spearhead on either side. He likes that it is going to committee, and can come back polished so the Board can make a decision. He clarified by stating that the letter seemed to be piggy-backed by a proposal that seemed outlandish to him, indicating that filming every committee meeting would be \$500, and he is mainly concerned with the cost. Mr. Miller thanked Mr. Gore for his card.

President Wilcox stated that Director Miller's comments are noted.

Director Weber confirmed that this item will be brought back to the Board.

Mr. Scherzinger confirmed that the item is coming back to the Board.

Director Miller inquired as to which committee the item would be presented to.

President Wilcox replied that this item would be presented to the full Board, as a committee of the whole. He felt that on a committee level, the logical place would be with the Administrative Practices Committee (APC), yet he believes that it should be for the committee of the whole, so that all Directors of the Board can all weigh in on how to proceed.

GENERAL MANGER'S REPORT:

Remleh Scherzinger, General Manager, shared video of the Oroville Spillway, showing an open gaping hole in the spillway. It has actually corrupted its footing and is eating material on the side of the facility. He shared that they have three days-worth of capacity left in this reservoir before they have to spill again. So it will be interesting to see how the wettest drought on record continues to stay a drought with the Governor. Mr. Scherzinger said that he doesn't know how it is not being declared an emergency, but if it doesn't, the Drought Order will remain in place.

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President Wilcox added that the dam is 700 feet high.

Director Miller shared that the hole has been reported to be 180 feet across and 35 feet deep, and that before the Russians out-built this dam, it was the largest and highest built.

Director Weber suggested the District look at the situation in Oroville when building a new reservoir, to figure out what they did and we will not do.

Mr. Scherzinger stated that the District facility is currently a center spill, so there will not be a spillway. He added that the District's existing spillways are also based on solid rock.

Mr. Scherzinger shared that the Bowman precipitation is now at 86.58, and we are on par for the wettest year on record at 171% of average. To date for February was at 11.67" of rainfall, and the average is 10.56". The lower elevation reservoirs, Scotts, Rollins and Combie are all within one foot of prior peaks ever recorded. Right now Scotts Flat sits at six tenths of a foot to hit its record, both Rollins and Combie are within a foot of their records. It is anticipated that by Friday, record precipitation and storage through the District's system will be met. He reiterated that this is the wettest drought on record.

Mr. Scherzinger said that the District is continuing to gut, crosscheck and spill wherever possible in the system, and this has led to truly a minimal amount of reports of damage to the system and to those individuals nearby. There have been a couple of little over-topping incidents, and the District has lost a little bit of structure here and there, but for the most part, he said that 174 miles of open ditch and canal has fared quite well given the efforts of Chip Close and his crew, maintenance and everyone.

Mr. Scherzinger shared some of the challenges in this kind event, such as Keane Sommers's crew in Hydro snowshoeing to get to a powerhouse, because they can't get there anymore since the bridge is gone, or trees are falling on powerlines knocking things out of service, or that the crew is out in stormy weather twenty four hours a day, seven days a week. He said that the staff is doing a great job, continuing to bypass the treatment plants where available, remaining online with no major incidents. He shared one issue that happened on Deer Creek where there was a slide and a blockage of a mine, and then the material blew in to Deer Creek. Mr. Scherzinger explained that this is Bureau of Land Management (BLM) property, and that Mr. Close has been working to inform BLM of their problem, and this is an example of the type of things the District is dealing with that have not been seen in a really long time.

Director Drew asked if this was the Champion Mine.

Mr. Scherzinger replied that was the Saint Louis Mine.

Mr. Close replied that it was off of Willow Valley Mine Road.

Mr. Scherzinger informed the Board that they may be receiving calls from retirees, if they haven't already, due to a delay of Health Reimbursement Account (HRA) disbursements through Navia Benefit Solutions. He stated that Navia Benefit Solutions

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has been contacted, and the District has re-adjusted how they are going to do business, and received assurances from them that District retirees will receive their checks on the first of every month. Mr. Scherzinger asked that if Board members get a call to please let the person calling know.

Director Miller asked if January payments came out mid-month.

Mr. Scherzinger stated that the District was sending the file and Navia Benefit Solutions was apparently initiating the transfer of HRA funds on the first, which was causing the delay of the disbursement anywhere from 3-6 days, which was upsetting people's bank accounts that have automatic draw. People were having to go back and reorganize how their funding was working and put money back into these accounts because they were waiting on HRA disbursements. So the District has notified them that the money needs to be there on the first, and the files are needed three days before so that funds get disbursed on time. He stated that NID has worked everything out now and it is up to their staff to figure it out. He added that if they do not, he will not be extraordinarily tolerant, if tolerant at all.

Director Miller mentioned that there are other vendors.

Mr. Scherzinger agreed that there are other vendors.

Mr. Scherzinger mentioned on other financial concern issues, to check in really quickly on the Cal PERS question that Mr. Branstrom brought forward. He shared that the District is still tracking that, closing period thirteen and preparing to close the 2016 books. That item will be presented before the Board the first meeting in March and is on track.

Mr. Scherzinger shared another financial issue that the State Board, the Association of California Water Agencies (ACWA) and a number of other agencies, are in the process of trying to figure out how to take apart Prop 218, and to modify the State Constitution Article 10, so that they can create elastic rate structures for conservation, as well as to generate a low income rate stream that other rate payers would have to fund. At some point he will need direction from the Board to either say "no" or "yes".

Mr. Scherzinger announced that the District is in the final stages of the Cascade Shores Pipeline, is at the tanks and getting ready to make the connection. The current storms are making it difficult to make that connection due to weather, but it will get there. As soon as at that point, he said the District will begin moth-balling that facility.

Mr. Scherzinger stated that the Centennial Reservoir Project Notice of Intent (NOI) was sent to the federal registrar on February 10, 2017. He has also been informed that the United States Army Core of Engineers (USACE) has agreed to give a brief presentation at both the Auburn and Grass Valley NOI public meetings, and said it is a big step forward for them. He shared that he does not know what it will be, and has not seen the presentation, but at least they are willing to go that far.

Mr. Scherzinger announced that the District has used the Community Investment Fund for the first time. He thanked the Board for setting that up for the District and being able to capture those funds from last year to this year. It has allowed the District to move the

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Alderwood DFWLE project forward, which went to APC on February 7, 2017, and will be presented to the Board soon.

Mr. Scherzinger was pleased to announce that he recently met with California Department of Water Resources (DWR), California Department of Fish and Wildlife (CDFW), Noah Fisheries, U.S. Fish and Wildlife Service, and Friends of Auburn Ravine, along with Gary King, Engineering Manager and Neysa King, Watershed Resources Planner, to discuss the Auburn Ravine and Hemphill Project, and how that project as well as the River Bank Filtration (RBF) project that the Board has directed them to investigate are moving in track and in time. He reported that it was a very good meeting, and was nice to try to bring all the regulators and all of the stakeholder participants together to clarify where things are at and what is being accomplished. He felt that it will help them as they move toward the summer and towards the technical advisory meeting for the Hemphill process. He said it is still moving forward and is a good thing.

Mr. Scherzinger shared that the preconstruction walkthrough has been done for Table Meadows. Teichert Construction believes that they will be done in two months, so it is very possible that the pump station is going to lag a little bit.

Mr. Scherzinger stated that the list of water contractors for installations is being completed, and will be presented to the Board soon.

Director Miller asked when Table Meadows is anticipated to be functionally operational.

Mr. Scherzinger stated that there are not currently enough known optics on the pump station to determine. He added that the pipeline is going to go in the ground, but the line will not be able to be fully pressurized. The pump station needs to be refit, and the pump station is taking a little bit longer than expected. He added that it is not going to span 2017.

Director Miller asked if it would be done this summer.

Gary King, Engineering Manager interjected that it is expected to be serviceable in August of 2017, and explained Teichert Construction's schedule and timeline.

President Wilcox recommended that a significant effort be made to publicize the meeting dates for the United States Army Core of Engineers (USACE) Notice of Public Intent (NOI) public meetings, in order to promote public participation.

Director Weber asked how that might be done.

Mr. Scherzinger said he will speak with Susan Holt, Public Affairs Coordinator, to get a communication plan, and expected that it will be done by newspaper, radio, website, and Yuba Net.

BOARD MEMBER COMMENTS

Director Weber thanked the District on behalf of her constituents for the pipeline to Cascade Shores, and for the Alderwood and Rock Creek DFWLE projects, that are meeting Friday, February 10, 2017. She shared that waterlines are getting extended in the area that she represents, and that when she ran for the Board eighteen years ago,

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her main platform was to extend water lines. She said that she also appreciates her colleague, Director Miller, who has worked with her on this.

Director Weber reported that she attended another Cosumnes, American, Bear, Yuba Integrated Regional Water Management Group (CABY) meeting, and that they were meeting monthly to redo the governance structure and that it is done. She said there will be one more meeting March 1, 2017, that it looks good and just needed to be polished up a bit. She added that there was a lot of good participation, and that this is the coordinating committee, with representatives from NID and other water agencies, as well as non-profits. She shared that it is a very agreeable and functional group.

Director Weber reported that she took the cannabis class in order to get educated, and looked at what NID could do to protect the water supply. She said that the decision is going to come out of the cities and the county. She explained that in the water code there are two items in legal diversions (discharges and wastes) that affect water quality. These are already in the code. She shared that the fish and game code includes disposal of items that would be interfering with the fish or critters and no damming or diverting. She feels the District should not presume that the county will take care of the District's specific needs. She would like to see a Board session on this, and to write a letter to the county so that it is really up in front.

Director Drew added one of his concerns on this matter is that so many of these operations have pressurized fertilization systems that are connected to the potable water systems, absent backflow defensive devices, which can subject the citizens to poisoning.

Mr. Scherzinger requested that he meet with Director Weber to discuss and format.

President Wilcox and Director Weber agreed.

Director Weber requested a presentation be made to the Board about the sphere of influence with Local Agency Formation Commission (LAFCo) on the SOI expansion.

President Wilcox stated that NID is the lead agency on doing an environmental document for the sphere of influence update, and that this will come to LAFCo in the near future. He added that he has seen the maps, and that perhaps the maps should be distributed at the next Board meeting. He added that LAFCo cannot really take the issue up until the environmental document is circulated. He stated that it is moving forward and that LAFCo received the last two chapters of the proposed Environmental Impact Report (EIR) for review at the last Board meeting.

Director Morebeck reported that he was at the Placer County Farm Bureau on February 7, 2017, and that Remleh Scherzinger was also there and gave a nice presentation. Director Morebeck stated that he was there to reaffirm the District's commitment to Placer County agriculture, to assure them that the District will do everything to preserve and protect agriculture, as has been done for many years, and to ask them to perhaps get a little involved in the political process.

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Director Drew shared a little joke that he received an anonymous tweet from Washington D.C., stating that striped bass are going to be banned in California, and that they want to make salmon great again.

Director Miller reported that he spent a few hours with Mark Spannagel and Jennifer Horne at Doug LaMalfa's office, discussing The Water Infrastructure Improvements for the Nation (WIIN) Act, which Doug LaMalfa and Diane Feinstein worked on together. He said that they were very informative in educating him about these monies that basically result in an authorization of matching funds that could come the District's way. He stated that this is specifically in regards to the Centennial Reservoir and that he is trying to pursue funding it. Director Miller explained matching funds of twenty-five percent could be available if it is under ownership of the District or the state. If the federal government would have the lead on it, there would be matching funds of fifty percent. He added that the problem with these appointments is that the Department of the Interior does not have House Representative Ryan Zinke, at the top at this point, and that is coming up in the future. He shared that if Representative Zinke were to come in, then matching funds of fifty percent may be pursued for the Centennial Reservoir.

Director Miller reported that he is aware that in the interim the District is pursuing Proposition 1 funds through the State of California for the Centennial Reservoir, which if deemed environmentally beneficial for temperature flow, fish flows, etc. (not as habitat itself) by the California State Water Commission, then the District could be authorized to have the twenty-five percent of federal matching funds as well. He explained that the potential issue with obtaining fifty percent of federal matching funds is that it needs to have the regulations implemented, and until Mr. Zinke and the Department of the Interior is fully up and running, they cannot do any regulatory changes under the new president.

Director Miller shared that following their discussion, they indicated that they are glad to be advocates for the District to the Department of the Interior. Director Miller said that he was told that it would not hurt in the meantime for the District to pursue the State of California, which the District is already doing. Director Miller requested that a new letter be generated at this time from NID to LaMalfa's office, to formally ask them to support the BLM land transfer and acquire those parcels.

PUBLIC COMMENT ON ANY ITEM TO BE CONSIDERED IN CLOSED SESSION - Hull

Karen Hull, member of the public, inquired about the existing litigations as to what year those actions were filed, who was suing who, and if she could be provided with a summary of the legal issues involved in those cases.

President Wilcox requested that Ms. Hull indicate which items she is referring to.

Ms. Hull indicated the first two Closed Session items from the Agenda dated February 8, 2017, which are Conference with Legal Council - Existing Litigation: Bay-Delta Proceedings and the Conference with Legal Council - Existing Litigation: Nevada Irrigation District's Petition for Water Rights for Centennial Reservoir and the Protest by South Sutter Water District to that Petition pending before the State Water Resources Control Board.

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Dustin Cooper, District Counsel, replied to Ms. Hull's inquiry by stating that the first item is for the planned update for the Water Quality Control Plan for the Bay-Delta. He said that the proceeding is divided up in phases. Phase II is the piece that affects Nevada Irrigation District, and that the document that kicked off Phase II was from approximately October of 2016. He believes this is the first time that this particular topic will be coming to the Board.

Mr. Cooper stated that the second item concerns the Centennial Reservoir Project and pending application for assignment of water rights, which was filed in approximately August of 2014. He shared that protests were received in the last quarter or so of 2016, and that this item concerns the particular protest made by South Sutter Water District.

Ms. Hull asked if South Sutter has filed a suit against NID.

President Wilcox clarified that South Sutter filed a protest against the public notice of the Centennial Reservoir Project. President Wilcox stated that this item will be a standard Closed Session item, and that the District has agreed with South Sutter Water District that NID will continue to keep the Board updated on this.

Mr. Cooper added that these are not litigation in the sense that most people are often accustomed to where there is a Superior Court trial; rather they are administrative type adjudicatory proceedings. He said that they proceed through a different venue where the trial court is essentially the State Water Resources Control Board. He added that it is litigation, and is just not what one would imagine on television or something like that.

Director Miller explained that it is also listed in the Agenda as "Litigation" so that the District is able to discuss openly with the attorney during the Closed Session, and the District is hopeful that they can negotiate with people. He added that the idea of the protest is that the parties can settle it.

President Wilcox stated that State Water Board serves as a quasi-judicial function, and restated that it is an item that will continue to be seen on the agendas henceforth.

Meeting recessed at 10:46 a.m. and reconvened at 10:51 a.m.

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Government Code § 54956.9): Bay-Delta Proceedings, including the pending proceedings to update to the Water Quality Control Plan

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Government Code § 54956.9). Nevada Irrigation District's Petition for Assignment of Water Rights for Centennial Reservoir and the Protest by South Sutter Water District to that Petition pending before the State Water Resources Control Board

CLOSED SESSION will be declared pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger, Sommers, Sindt and/or Meith

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regarding price and terms of payment for acquisition and sale of rights in real property; properties subject to negotiations:

- South Yuba Canal, Chalk Bluff Canal, Deer Creek Powerhouse; flowage/wheeling rights in Drum Canal, Bear River Canal, Wise Canal, and South Canal (all owned by PG&E)
- Flowage Rights in Bowman-Spaulding Canal, Fall Creek Flume, Dutch Flat Flume, and Chicago Park Flume; right to storage in Rollins Reservoir (all owned by NID)

Persons with whom negotiations will be conducted: PG&E Management

MEETING RECONVENED in regular session at 11:52 a.m. President Wilcox announced that direction was given to legal counsel and negotiators.

MEETING ADJOURNED at 11:52 a.m. to reconvene in regular session on February 22, 2017, 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