

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

February 22, 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 22nd day of February, 2017, at 9:00 a.m.

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

Director Weber (Division I), was absent.

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

PUBLIC COMMENT – Mike Smith

Mike Smith, a Nevada City resident, shared with the Board that he was aware the District, as executive member of the Mountain Counties Water Resource Association (MCWRA), would be participating in the MCWRA meeting on February 24, 2017. He understands that the District takes a very scientific approach to its climate forecasting, particularly in the matter of water. He stated that a couple of congressmen will be meeting with the District at this meeting who do not take a scientific approach. He is asking all Districts who are participating to make their views well known to the congressmen, because currently they and some of their colleagues are standing in the way of effective federal control or solutions to climate change. He said that California Congressman Doug LaMalfa may not want to take an immediate leap in doing whatever

he is told should be done. However, what he can do, and what the Districts can ask him to do, is to join the Climate Solutions Caucus (CCL), which is a bipartisan caucus by design. He shared that CCL membership is kept even between Democrats and Republicans, and that there are currently twenty-four members. Mr. Smith explained that CCL is working on solutions to climate change. He said he thinks that affects the work of the District, and that the work of the District affects how people live in the county. He asked that the District take a positive and effective approach with the congressmen.

Remleh Scherzinger, General Manager, requested that Mr. Smith state the name of the organization again.

Mr. Smith confirmed that it is the Climate Solutions Caucus, and added that it started about six months ago. He added that he is available should anyone have any other questions for him about it.

President Wilcox clarified that as a public comment item, the Board cannot respond at this time. He stated that the District, who is a founding member of CCL, will be represented at that meeting.

PUBLIC COMMENT – Otis Wollan

Otis Wollan, former director of Placer County Water Agency, expressed his thanks for the opportunity to address the Board. He presented the Board with copies of his Interim Report entitled “Opinion on Potential Centennial Project Costs and Revenues”, dated February 21, 2017, and made copies available to the public in attendance. He expressed he was hopeful that his report would be found to be of value. He said that in July of 2016 the Foothills Water Network requested a financial report. He said that the requested financial report was not forthcoming, so he volunteered to do an opinion paper, and this is the interim opinion paper and interim report.

Mr. Wollan said that in 2015, the District’s General Manager had said that the total for the Centennial Project would be \$160 million dollars. He said that it is abundantly clear that this figure is off by a factor of at least three. He said that the cost for transportation at that same meeting was estimated to be \$200,000 to the public works of the various counties, and the District’s own study is showing that this is \$50 million to \$75 million dollars, depending on which the District chooses, and he says this is off by a factor of about thirty. He added that the mitigations were estimated at that time at two thousand acre feet of cold water would be delivered to new places at any time and that would be the mitigation for the project. He said that this is the other shoe that is getting ready to fall, and that he has put in an estimate for these mitigations of \$50 million.

Mr. Wollan stated that the next thing they are heading towards is a discussion of alternatives. He asked to bring attention to Page 16 about maximizing community benefit, and the process of analyzing a project in terms of how the money cycles in a community. He said it is a relatively new way of looking at how wealth is made within a community, and said that there is a start there on the financial or economic analysis that

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is coming up next. He said that as a local government, he thinks it is important to begin to engage in this kind of analysis, which shows how money is re-circulated. He stated that for instance, from a large billion dollar dam project that includes financing, 90 percent of that money is immediately exported out of the community, even though the District has a policy of 20 percent for local contracting. He said that whereas if the District were to go in to the alternatives, something on the order of 90 to 100 percent of that is locally contracted, and the money cycles in the community two to three times as opposed to being maybe exported immediately. He said that the net community wealth (not the volume of water) from an investment of a billion dollars is actually less than the net community wealth from a hundred million dollars.

Director Miller stated that it is not “either / or”, and that the District is doing both.

President Wilcox stated that this is public comment.

Mr. Wollan added that we all hope that we have the financial strength to do everything that we wish. He said that we will watch how the Centennial Project unfolds and how everything pencils out, and that there is more information coming in the future. He shared that this is a fun exercise for him and helps to keep the mind sharp. He added that since it impacts the upper area of Placer County so much, he feels the need to be a sixth Board member and represent that area that is impacted so greatly, and hopes to be a positive contributor to the conversation.

Director Miller said that like so many things in our society, it is God awful expensive, and that it has been a moving target.

President Wilcox said that once again, this is public comment. He thanked Mr. Wollan and said that unfortunately, the Board is not in a position to respond.

PUBLIC COMMENT – Annette Dunklin

Annette Dunklin, a local resident, shared that this is the third District Board meeting she has attended, and that she very much appreciates the opportunity to be here and understand how the District makes their decisions and the work they do.

President Wilcox remarked that it was that obvious after three meetings.

Ms. Dunklin said that she has a request today, because she had attended the District Board meeting on February 8, 2017. She shared that she ran a non-profit organization in the area for seven years, and ran the meetings for that organization. She made it an effort to make sure that everyone’s voice was heard, and made an effort to make sure there were not unnecessary interruptions in those meetings. She told President Wilcox that today she had observed him twice ask that there be no speaking or response during public comment. She explained that while President Wilcox did not directly ask this of Director Miller, she thought that she was about to. She shared that at the February 8, 2017 meeting she was disturbed when she observed Director Miller interrupt people making public comment numerous times, and kind of disrupting the flow

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of the meeting. She said she wanted to make a polite request that this not happen today.

President Wilcox thanked her for her comment.

MINUTES – February 8, 2017 Regular Meeting

Richard Thomas, Resident noted an incorrect word on Page 50. The word “ability” should be “visibility”, and add that it is a point well taken.

Director Drew stated that he has already spoken with Kris Stepanian, Board Secretary, about this particular item, and stated that the correction has been made.

Mr. Thomas said he appreciated that, and asked if the amended minutes can be in the packet for those in the audience who do not have access to them. He said he would appreciate it, as it would save this interruption. Mr. Thomas added that it was a point well taken.

President Wilcox said that if the minutes have been amended to reflect that comment, then so be it.

Director Drew stated that he believes the diction was correct.

Dustin Cooper, District Counsel, explained that the minutes in the packets are not so corrected. He said that his form of motion can have that as an item of correction, in addition of any others.

Director Drew requested for the record that he has already spoken Ms. Stepanian specifically about this particular item and the verbiage thereof.

President Wilcox clarified that the Board is moving to approve the amended minutes.

Director Drew agreed that we are moving to approve the minutes with the correction.

Motion made by Director Drew to approve the minutes of the regular meeting on February 8, 2017, as amended. Director Morebeck seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

WARRANTS

Director Drew made a motion to approve warrants as submitted on check and payroll registers. Director Morebeck seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

POLICY #6690 PRIVATELY OWNED CULVERTS

Rem Scherzinger, General Manager, requested that this item be removed from the agenda as requested from the public to review a certain portion of the policy language. The item will be modified and sent back to the Engineering Committee to review again before being presented to the full Board.

NEWTOWN CANAL FREEZE REMOVAL

Director Drew made a motion to approve removal of the water sales freeze on the Newtown Canal as recommended by the Water and Hydroelectric Operations Committee. Director Morebeck seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

POLICY #6685 CANAL ENCASEMENTS

Rem Scherzinger, General Manager, requested that this item be removed from the agenda at the request of Director Weber.

ALDERWOOD WAY DISTRICT FINANCED WATERLINE EXTENSION

Shannon Wood, Business Services Technician, presented the recommendation from the Administrative Practices Committee (APC), to encumber funds for the Alderwood Way District Financed Waterline Extension (DFWLE) project. She mentioned that while it may have already been noticed, it is adjacent to the Rock Creek Road District Financed Waterline Extension that is in the process of being evaluated. She noted that staff has looked at some of the parcels that are adjacent to both roads, and it has been determined based on their access or the location of their house,

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what would be best served by a waterline. She said there is a drainage-way that goes in between the two road ways, so the way it is seen on the map is how the identified parcels are best served.

Ms. Wood explained that this project proposes over 1200 feet of 8-inch pipe, and over 500 feet of 4-inch pipe and 2 fire hydrants along the alignment. It potentially serves ten parcels, all of which are improved, and there are no vacant parcels in this area. She added that there is only one issue of duplicate ownership.

Ms. Wood reported that this project was reviewed in May of 2015 by the Engineering Committee, and again in February of 2017 by the Administrative Practices Committee (APC). She went over the budget as shown on the Staff Report, and explained that she tried to give a little more definition to how the breakdown is done between the participants' costs and the District's Community Investment Program. She shared that the overall project estimate is \$320,560, of which \$18,700 will come from the Community Investment Program, and the rest will be divided among the ten potential participants.

President Wilcox inquired as to how the meeting for the Rock Creek Road DFWLE project went.

Ms. Wood reported that it was lightly attended, and that she has followed up with all of the property owners who did not attend. She has received a few phone calls and emails since the meeting. Ms. Wood said that they have until March 13, 2017, and at this point it is hard to tell.

Director Drew inquired as to the folks who recently attended a District Board meeting in favor of this project.

Ms. Wood confirmed that the representatives Rondal Snodgrass and Julie Carville were in attendance at a previous Board meeting in favor of the project. She stated that she did let them know after the APC meeting that everything went well, and that the District would be considering encumbering the funds at today's Board meeting. Ms. Wood said that she would be following up with them after this meeting to let them know the status, and that then they would be setting up a kick-off meeting for the neighborhood to get all of the information out to all of the property owners.

Director Drew asked if they've had any pre-construction meetings.

Ms. Wood said that it is a little too premature for that.

Director Drew mentioned that he thinks those are important.

Director Drew made a motion to approve the request to encumber funds for the Alderwood Way District Financed Waterline Extension project as recommended by the Administrative Practices Committee. Director Morebeck seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

RODEO FLAT PUMP STATION UPGRADE PROJECT

Tonia M. Tabucchi Herrera, Associate Engineer, requested that the Board award a contract in the amount of \$380,180 to T&S Construction for the design and construction of the Rodeo Flat Pump Station Upgrade Project. She explained that this project involves a construction design team to rehab the existing Rodeo Flat Facility to serve the Table Meadows District Financed Waterline Extension Project and surrounding areas.

Director Miller made a motion to award a contract in the amount of \$380,180 to T&S Construction, for the design and construction of the Rodeo Flat Pump Station Upgrade Project, and approve a budget transfer and authorize the General Manager to execute the necessary documents. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

PLACER COUNTY / NID TAX SHARE AGREEMENT MAPS

Chip Close, Water Operations Manager, gave a presentation of the Placer County / NID Tax Share Agreement maps, as previously requested by the Board, and provided copies of the maps being presented to Board Members.

President Wilcox asked if there were copies available on for the public.

Remleh Scherzinger, General Manager, stated that there are not, as these are still in draft form. However, the public is welcome to see them on the screen as part of Mr. Close's presentation.

Mr. Close recalled the last Board meeting when the tax share agreement between NID and Placer County was discussed, and the General Manager was authorized to sign an agreement, pending Placer County Supervisor's approval as well. He said that during the discussion, it became apparent that there was some clarification needed regarding the maps that were contained in the agreement as exhibits. Per

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the Board's request, staff has blown the maps up and overlaid the layer that shows the District external boundaries. He said that the hope today is to go over these briefly and provide clarification to any questions that may come up.

Richard Thomas requested that if the maps are not available in the packet, that they be available on the website.

Remleh Scherzinger, General Manager explained that the maps are drafts, and that until Placer County signs the document, they cannot be released. He added that the District will happily put them up on the website as soon as signed by Placer County.

The Board thanked Mr. Close for his presentation.

GENERAL MANAGERS REPORT

Remleh Scherzinger, General Manager, began by stating that this is the wettest drought on record. He said that he appreciates the oddness of declaring flood emergency, asking for FEMA support and declaring an emergency drought all at the same time coming out of the Governor's office.

Mr. Scherzinger reported that the District currently stands at roughly 245,000 acre feet in storage, and added a declaration of surplus to be seen through March and will be running its course as heading into a normal year in 2017. He reported that the District is currently at 145 percent of average and 93 percent of capacity. The District is yet to roll the radial gates in the upper division. He expects that last amount of water to take the District up to 261,000 acre feet, which will be full.

Mr. Scherzinger reported that the current estimate of precipitation estimated for the District is roughly 106", which is 233 percent of average. He reported that the Northern Sierra 8 Station Precipitation Index shows that we are at 75" and roughly 13" from the wettest year on record.

Mr. Scherzinger stated that the District is in good shape, and that the facilities and staff are doing a great job in this multiple atmospheric river events. He reported that the District has really gone back to an old model of gutting and cross checking systems so as to not affect people's parcels and not over-topping, or creating a lot of the issues that Greg Jones, Assistant General Manager, would have to deal with that end up as claims. He said that the District is doing a great job, the dams are in position, and we are operating. He added that the District is doing relatively well in terms of generation. He stated that the grid on a sunny day is a negative. So power is being put on to the grid with negative power prices, which is unbelievable.

Remleh Scherzinger, General Manager, reported that as seen in today's Union Newspaper there was a mainline break on Oscar Drive. He gave a quick update, and shared that 2:00 a.m. there was a call for a low tank alarm, and at the point it was known there was water coming out of the system. By 2:30 a.m. distribution crews were in patrol looking for the break. By 3:00 a.m. the pipes were isolated, and there were

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roughly 20 people out of water. It has undermined roughly 150 feet of asphalt. The repairs were complete by noon on Tuesday.

Mr. Scherzinger explained that the District has talked a number of times about customer service and what the District means to this community. He then shared some feedback from one of the folks on Oscar Drive. A gentleman called in to the District and said he was very impressed with the work being done on the emergency waterline break. He expressed his thanks to all of the crew working in the weather and getting the water back on so quickly. He said that they worked like a well-oiled machine. Also, the man is disabled and while going back into his house, his wheelchair slipped on his driveway and he was thrown out onto the ground. The crew working saw what had happened and ran to his aid and helped him back into his wheelchair. He very much would like to let them know he was very grateful for the kindness and concern they showed him. Mr. Scherzinger said it is that level of customer support that really defines what the NID standard is, and he is going to reach out to these workers and let them know how much they are appreciated.

Remleh Scherzinger, General Manager, reported that there is a slide failure happening, as some may know. The District's pipeline is in the roadway, on the other side of the road. So the District has maintained it in operation, and is keeping an eye on it should the slide fail. There are a number of people connected to it, so it cannot be shut off without putting them into a low water condition.

Remleh Scherzinger, General Manager, reported that the E. George Water Treatment Plant is now connected to the Cascade Shores area. The system is currently being adjusted so that the District can operate now without the Cascade Shores Treatment Plant. The District will start mothballing that facility.

Remleh Scherzinger, General Manager, announced that he is very pleased to let the Board know that after many years the Newtown Canal is in service and operational. Letters are going out to local homeowners letting them know that the project is complete and that they can let the District know if they want water. Also, after today's freeze lift, letters will go out to the 44 individuals that are on the waiting list. Two of the property owners that are along the old alignment have already requested quitclaim of the easements on their property. These will be collected, and as the District heads into the facilities abandonment process, will be addressed. It is clear that these folks are happy to have the District out of their backyard, and are eager to move on.

Remleh Scherzinger, General Manager, reported that the District has released its request for proposal for the fish study, and extended it out to twelve consultants, while preparing to contract with California Department of Fish and Wildlife on the District's grant. The District is also in the midst of the Kleinschmidt study. So the District is continuing to work on this and is focused.

Remleh Scherzinger, General Manager, reported that the South Yuba Canal had a failure two weeks ago, close to the 8-mile spill, and PG&E has lost the canal in its entirety. Eighty percent of the District's water that goes to the treated customers goes

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through this canal. PG&E is trying to figure out how to solve this problem, and we will be staying on them as we move towards the irrigation season. Scotts Flat is full, so we are optimistic at this point.

Director Miller asked if this was before it turns into Deer Creek.

Mr. Scherzinger confirmed that this is the area before it turns into Deer Creek.

Director Miller inquired if this still belongs to PG&E and if at some point will it belong to the District.

Mr. Scherzinger confirmed that it currently belongs to PG&E, and that the District has worked diligently to acquire the Deer Creek Powerhouse. He added that the yearly inputs that PG&E is currently making have ranged anywhere from two to six million dollars annually on this facility.

Remleh Scherzinger, General Manager, reported that he recently attended the Placer County Farm Bureau Dinner, along with Greg Jones, Assistant General Manager, and Director W. Scott Miller and Director William Morebeck. Mr. Scherzinger shared that he spoke at the dinner, updating them on the Centennial Project. He said it was fun to meet everybody and to be a part of that evening.

Mike Smith, Nevada City resident, wanted to make note that this particular storm we are currently experiencing is symptomatic of climate change.

President Wilcox thanked Mr. Smith and ensured him his comment was noted and understood.

BOARD MEMBER COMMENTS

Director Miller apologized for talking out of context or being noisy. He explained that it does allow for open dialogue, even though it is against the rules. He said that he does not mean for it to mean.

Director Drew announced that he has a video of the demolition of the building down at Orchard Springs that was recently completed, and that it is a rather interesting process. He reported that Robinson Timber handled very efficiently. In two and half days the building was gone and the area was swept and cleaned. He plans to share his video at the next Board meeting.

Director Miller asked if the restaurant was demolished, and said that someone had asked him if it was gone.

Director Drew confirmed that it was the restaurant, and that the underlying question was the condition of the pad beneath the building. When inspected by him, Mr. Scherzinger and other staff members, it was found that the pad underneath where the building was

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is unsuitable for re-use. It had a big swell in it and about a 14" drop from point A to point B. He said that it indicates that the substrate is moving and has moved.

Director Miller asked if the store was gone as well.

Director Drew confirmed that the store is gone, and the only thing that remains is the electrical panel.

Director Miller asked when the demo happened.

Director Drew said it happened two weeks ago, and the video is very illustrative and will be shown when there is more time, perhaps at the next Board meeting.

Director Morebeck reported that he attended the Placer County Farm Bureau (PCFB) meeting last week, and that it reaffirmed the District's commitment with Placer County agriculture. Over 50 percent of the District's water goes to Placer County. For those who aren't aware, Placer County has approximately sixty to eighty million dollars of agricultural production each year. He shared that Mr. Scherzinger was the keynote speaker, and that that was quite an honorary thing to have him talk about the future we have with agriculture. Director Morebeck said that he thinks it is a testament to the confidence that they have in the District to provide water not only now, but for future generations.

Director Morebeck shared some of the information that was shared at the dinner. He said that there is a new wine industry there that has been growing by leaps and bounds over the past five years. It is made up of smaller, Renaissance type, wineries. Placer County has just started a winery ordinance to help clarify some of the rules and regulations that were rather vague. It was difficult for wineries to sell wine, and for some time they were unable to have tastings, because there was a rule against it. Over the past five years they have been trying to re-establish the ordinance to allow tasting. They do allow it now. They just had to make some clarifications. They are now in the CEQA process, which is going to cost approximately \$150,000. Josh Huntsinger, Placer County Agricultural Commissioner, spoke about the average age of farmers in the area being about sixty years old. Mr. Huntsinger said that together with the PCFB, they are trying to get new farmers and are having workshops, which may be in Nevada County also. They are trying to establish new farmers. Mr. Huntsinger also mentioned that he often gets calls for individuals to come who want to farm in that area. There is a lot of interest, but land is rather expensive.

Director Miller added that there are 120,000 farmers statewide, and the statewide average age of farmers was based statewide, not just local.

Director Morebeck agreed, and added that Mr. Huntsinger shared he was getting a lot of interest, and that there are new farms.

Mr. Morebeck reported other information learned from Mr. Huntsinger at the PCFB event, that a processing plant for livestock could be going in to the Sheridan area, which

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has been talked about for the past fifteen years. It has reached its planning stage, they have a grant, and an analysis is being done from a group in North Dakota. The cost is expected to be around \$2 million dollars. Mr. Huntsinger shared that there is quite a bit of interest. Mr. Morebeck stated that there is a strong agricultural economy there. He has been on the 25-30 years, he has been on the agricultural commission there, promoting agriculture, and even with all the development, there is still a strong agricultural economy. As everyone knows, they need water to survive, and he feels the District has made a commitment to that.

Director Drew added that the average agricultural dollar goes around the community eleven times.

Director Morebeck thanked Director Drew for mentioning that information, it was in his notes.

Director Drew said that it is the highest return of any other business in our world.

Discussion ensued about cattle and transportation, agriculture, and waiting lists for cattle to get to the slaughter house.

Director Morebeck shared that cattle is at \$12 million dollars in Placer County.

Director Miller added that it was a good talk, and added how the small boutique breweries are growing locally, and trying to piggy-back on the ordinance with the wine. He agreed it was a good talk.

President Wilcox announced a reminder that on March 1, 2017 in the Auburn area and on March 2, 2017, in downtown Grass Valley, there will be workshops put on by the U.S. Army Corps of Engineers (USACE), for notice of intent to prepare an environmental impact statement, which is the federal equivalent of what happened almost a year ago as far as the CEQA process is concerned. The District held its notice of preparation meetings and public meetings a long time ago. He believes that the intention is to issue the environmental impact statement (EIS) and the draft environmental impact report (EIR) fairly close together in time.

Remleh Scherzinger, General Manager, agreed and said that this is the District's hope.

President Wilcox stated that this is currently anticipated to be late summer.

Mr. Scherzinger said that this is true for the California Environmental Quality Act (CEQA). The District's CEQA document will be out in the third quarter and the National Environmental Protection Act (NEPA) document in the fall.

President Wilcox explained that this is an opportunity for the USACE to gather a public input. The District is not involved in that process, and they drive their own process.

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President Wilcox called attention to the South Yuba Canal picture that Mr. Scherzinger had presented earlier, and said that this canal is the main supply canal for the District. He said that about half of the District's water supply comes through it and the District does not have control over it. He pointed out that (as seen on the picture) the canal is subject to catastrophic failure. He shared a story from 2-4 years ago, when on a sunny summer day, the canal had dry rot and just fell over. Whenever that canal falls over, it cuts off the main source of supply to the Cascade Canal System, which is the main source of supply to the E. George Treatment Plant and the Loma Rica Treatment Plant, and the entire system is in jeopardy. He said that the District realized at that time that a redundancy was needed to be built into the system. So the District constructed a pump station to inter-tie the DS Canal and Cascade Canal, so that when catastrophic failures happen on the South Yuba Canal, which is not an unusual occurrence, the District is prepared.

Remleh Scherzinger, General Manager pointed out it has been occurring every year.

President Wilcox agreed that is now happening almost every year. The repair that is being seen for this canal break is probably costing millions of dollars. He added that PG&E does a nice job, but it is done on their time. He indicated that PG&E is not interested if the District's system is down and District customers are out of water for months on end.

President Wilcox explained that the DS Pump Station allows the District to use Scotts Flat Reservoir essentially as a back-up water source for this system. So if PG&E canal goes down, the District can fall back on Scotts Flat and keep the system operating for a year or two so that people are not flat out of water.

Mr. Scherzinger added that this is true in a lower operational condition, and not in full operational condition.

Director Wilcox agreed that this would not be at full water levels, but people would not be without water. The District has been proactively trying to build the system to help protect from emergencies such as this. He asked if a catastrophic event, like the one that happened a year or two ago occurred, if the pump station is fired up for something like that.

Chip Close, Operations Manager, said that it is ready to be activated at any moment. It has been operational now for three quarters of a year.

Director Drew said that the District still has sufficient water coming in through the natural drainage of the system to satisfy any requirements that are associated with this. He added that additionally, this water supplies a great deal of the agricultural water in this area.

President Wilcox said this is a very serious situation and not such a serious situation, because the District has proactively re-plumbed the system to account for this kind of event. This is just an example of the District proactively working to protect itself.

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Meeting recessed at 9:56 a.m. and reconvened at 10:00 a.m.

CLOSED SESSION was declared at 10:00 a.m. pursuant to Government Code Section 54956.6 to provide clarification of the District's designated labor negotiators.

Nevada Irrigation District Representatives: General Manager, Assistant General Manager, Human Resources Manager and Jackson Lewis, District Counsel

Employee Organization: American Federation of State, County and Municipal Employees (AFSCME) Local 146

CLOSED SESSION was declared at 10:00 a.m. pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim of Jeff Gracianette.

CLOSED SESSION was declared at 10:00 a.m. pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim of Carmine and Julia Garofalo.

CLOSED SESSION was declared at 10:00 a.m. pursuant to Paragraph (1) of subdivision (d) of Government Code § 54956.9 to Confer with District Counsel regarding existing litigation. 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

MEETING RECONVENED in regular session at 12:13 p.m.

CLAIMS & SUITS – Gracianette

Motion was made by Director Drew to reject the Claim of Jeff Gracianette. Director Morebeck seconded the motion.

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

CLAIMS & SUITS – Garofalo

Motion was made by Director Drew to reject the Claim of Carmine and Julia Garofalo. Director Morebeck seconded the motion.

Weber, Division I	Absent
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

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MEETING ADJOURNED at 12:15 p.m. to reconvene in regular session on March 8, 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