

**NEVADA IRRIGATION DISTRICT**  
**Administrative Practices Committee**

November 22, 2019

**SPECIAL MEETING**  
**MINUTES**

Committee Members Present: W. Scott Miller, Division III  
Ricki Heck, Division I

Committee Staff Members Present: Remleh Scherzinger, General Manager  
Greg Jones, Assistant General Manager  
Marvin Davis, Finance Manager/Treasurer  
Jana Kolakowski, Human Resources Manager  
Kris Stepanian, Board Secretary

**Public Comment**

None

**Budget Amendment – Increased Water Right Regulatory Fees**

Chip Close, Water Operations Manager, presented the item.

On September 18, 2019, the State Water Resources Control Board (SWRCB) adopted, by resolution, an emergency regulation amending water rights fee schedules in title 23, section 1062, 1063, 1064, 1065, 1066, 1068, and 3833.1 of the California Code of Regulations. The changes were adopted under the guise of an emergency as the SWRCB claims it has a mandatory legal duty to assess fees by emergency regulation (Water Code 1525, 1530) for the immediate preservation of the public peace, health, safety, and general welfare.

A majority of the fee increases adopted are relatively small in comparison to last year's fees. However, a new fee was developed for pending water right petitions. The new petition fee adds \$0.40 per acre-foot to the previous \$1,000 fee for all petitions that were unable to complete the process within the year up to a maximum of \$10,000 per petition. Agencies who have provided all the information required to continue processing the petition; and where the SWRCB is unable to expend significant resources towards the completion of processing, may qualify for a reduction in fees to \$500 per qualifying petition.

The District has 27 water right petitions pending before the SWRCB. District staff has worked diligently with the State on these petitions and has reached a point where completion of the petitions will need SWRCB hearing, a process the District cannot control. District staff was under the belief that the new fee would not pertain to the District's petitions as the process is awaiting SWRCB action. Unfortunately, the recently

received 2019 / 2020 invoices from SWRCB included nearly the maximum amount for each petition.

The District disagrees with these charges. However, per SWRCB direction, the District must pay the invoiced fees and file a Petition for Reconsideration to avoid penalties and interest charges while the Petition for Reconsideration is under review.

**BUDGETARY IMPACT:**

The new fees were not anticipated when the 2019 budget was developed. Therefore, a budget amendment will be required to cover the costs.

The Operations Department budgeted \$70,000 in water right renewal fees for the 2019 budget. The actual 2019/2020 billed amount is \$150,577.41, which results in a shortfall of \$80,577.41.

The Hydroelectric Department budgeted \$150,000 in water right renewal fees for the 2019 budget. The actual 2019/2020 billed amount is \$191,592.38, which results in a shortfall of \$41,592.38.

<b>Operations Water Rights</b>	<b>2018 / 2019 Fees</b>	<b>2019 / 2020 Fees</b>
1270	\$10,765.48	\$21,408.78
1614	\$5,604.27	\$15,399.15
1615	\$3,888.51	\$13,401.34
2276	\$4,604.27	\$5,399.15
2652A	\$1,136.77	\$1,361.65
2652B	\$6,969.27	\$15,824.15
5193	\$4,874.27	\$14,549.15
6229	\$4,942.62	\$14,628.74
6529	\$473.32	\$589.14
6702	\$581.19	\$714.74
8177	\$339.61	\$433.45
8180	\$16,400.60	\$27,970.22
20017	\$8,608.95	\$18,897.75
<b>Total</b>	<b>\$69,189.13</b>	<b>\$150,577.41</b>

<b>Hydroelectric Water Rights</b>	<b>2018 / 2019 Fees</b>	<b>2019 / 2020 Fees</b>
2275	\$2,381.28	\$9,119.75
2372	\$4,619.92	\$14,226.38
4309	\$2,207.72	\$2,582.04
4310	\$2,065.03	\$2,415.89
6701	\$298.16	\$358.57
8178	\$1,232.36	\$1,446.35

8179	\$225.00	\$300.00
15525	\$2,699.66	\$3,154.85
20072	\$2,162.28	\$7,664.75
21151	\$16,810.27	\$19,585.01
21152	\$8,787.59	\$10,243.53
24983	\$13,617.73	\$24,703.29
26866	\$15,922.39	\$18,551.17
27132	\$3,728.97	\$13,188.97
27559	\$7,596.13	\$17,691.83
FERC2266	\$40,009.60	\$46,360.00
Total	\$124,364.09	\$191,592.38

To cover the anticipated costs, staff is requesting a budget transfer of \$122,180.00 from the Water and Hydroelectric Operating Reserves (34011) to the regulatory fees budgets for Water Operations (10171-52608) and Hydroelectric Administration (50112-52608).

Pursuant to Budget Amendment Policy 3100.2, the Administrative Practices Committee (APC) can approve budget amendments up to an annual cumulative amount of \$1,000,000. The current amount of budget amendments approved by APC in 2019 is \$65,290. Upon approval of this item, the approved balance will be \$187,470.

The Committee discussed the reserve balances.

Public Comment

None

The Committee unanimously approved Budget Amendment Request No. 2019–133, transferring \$122,180 from the Water and Hydroelectric Fund Operating Reserves (34011) to budgets for regulatory fees in Water Operations (10171-52608) and Hydroelectric (50112-52608).

**Budget Amendment – Long Ravine Water System (FATR #2270) and Hwy 174 Caltrans Pipeline Relocation Project (FATR #2423)**

Gary King, Engineering Manager, presented the item.

Staff is requesting that funds be transferred to accommodate additional work on the Long Ravine Water System (FATR# 2270) consisting of pipeline and tank replacement improvements, and the Highway 174 Caltrans Pipeline Relocation Project (FATR#2423). Current funding is not sufficient to complete these projects under their existing budgeted programs.

In order to maximize efficiency, staff is requesting funds from the Raw Water Improvement Program. Doty North Canal Project (FATR#1031) has experienced a delay in its design work while developing the California Environmental Quality Act (CEQA) documentation.

Staff recommends the Administrative Practices Committee (APC) approve this transfer to facilitate the completion of these projects in a timely manner. Pursuant to Budget Amendment Policy 3100.2, APC can approve budget amendments up to an annual cumulative amount of \$1,000,000. The current amount of budget amendments approved by APC in 2019 is \$65,290. Upon approval of this item, the approved balance will be \$415,290.

The current balance in the Raw Water Improvements Program (10151-52910) is \$354,676. Following the approval of this item, the balance will be \$4,676.

Public Comment

None

The Committee unanimously approved Budget Amendment Request No. 2019-130, transferring \$350,000 from the Raw Water Improvements Program (10151-52910) to the Pipeline Replacement Program (10151-52907).

KSt