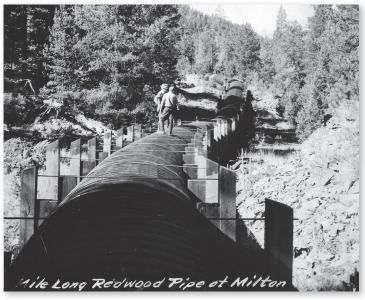
The mountain water system first described in the Tibbetts report is remarkably similar to the system that supplies NID water users today.

CHAPTER 4

The New District Takes Shape



Facing a Herculean task, NID's founding Board of Directors hit the ground running

to launch the new District and get irrigation water flowing to ranches and farms. The Board set out to develop a water supply and secure water rights, as well as to establish a long-term contract for the sale of water that could pay for the full cost of tapping high-country mountain works. On the agenda was to establish an organizational structure, commission engineering studies, prepare for a bond election and begin negotiations for the purchases of property and water systems.

One of the Board's first actions was the hiring of a District Manager, a move complicated by a lack of funding. The fledgling District had no budget; its only money in the bank was that pledged by local landowners. The Board found their man in Aubrey L. Wisker, a local irrigation advocate and promoter who accepted the Manager position for a starting salary of \$1 per month. From 1921 to 1928, Wisker guided the District through key water right acquisitions, land acquisitions and policy decisions. A visionary who was early

NID workers inspect the wooden pipe at Milton Reservoir. Aubrey Wisker, NID's first manager



in recognizing NID's potential for developing hydroelectric energy, he led the new District with wisdom and leadership that earned him respect as the "Father of NID."

Educated in San Francisco, Wisker was a mining engineer and had many wealthy friends and acquaintances in New York and Boston. After moving west he bought what is now known as the Loma Rica Horse Ranch. In addition to his mining skills, he was a land developer and had worked for the Empire, New Brunswick and North Star mines. Leading up to NID formation, he had been growing pears near the Bear River in an area known as the Chicago Park Colony. The colony, established by people of German heritage who had moved from Chicago, featured growers who pursued dry land farming because they had no irrigation system in place.

Since 1915, Wisker had been a vocal supporter of a Nevada County irrigation district. He formed a group of 68 supporters, worked with Kate and Bert Church, Nevada County Farm Adviser Herman Graser and others in forming the Nevada County Farm Bureau in 1917, and later served as secretary of the short-lived Yuba-Nevada-Sutter Water & Power Association.

As NID's founding manager, Wisker worked quickly to acquire water rights and water systems, the key to being able to access and divert the water needed to supply the District's irrigation customers. Beginning with its first water rights application and through its formative years, NID

aggressively worked to acquire necessary water rights, though many of the applications remained under state review for months and years as the District moved forward.

Among his duties were monumental start-up actions, including District organization, engineering studies, a bond election, property negotiations, as well as the purchase of water systems from the private companies. He also negotiated important acquisitions, including portions of the historic South Yuba Canal from PG&E, allowing NID to supply water through the Cascade and Snow Mountain water systems. In addition, the District was able to acquire assets of the Excelsior Water and Power Company and the New Blue Point Mine's Tarr Ditch.

Wisker also was instrumental in the acquisition of Bowman Reservoir and in securing the North Bloomfield Water and Power Co. from the William Bourn interests in San Francisco, which had interest in Malakoff Diggins, the enormous placer mine on the San Juan Ridge. In a savvy business move, Wisker allowed Bourn to retain the rights to the Bloomfield Canal, which the magnate wanted to preserve future supplies for his enormous hydraulic placer mining deposits on the San Juan Ridge. In return for deeding the Bloomfield Canal back to Bourn, Wisker was able to acquire properties near Bowman, including French, Faucherie and smaller reservoirs that stand near the headwaters of the modern NID water supply. Property at English Mountain was included.

Fred H. Tibbetts – a visionary guide in a new frontier

San Francisco-based civil engineer Fred H. Tibbetts was named NID's first District Engineer after conducting engineering studies of its boundaries



Fred H. Tibbetts

in April 1921. Few engineers in the history of California have contributed so extensively to the development of its agricultural lands and the control and conservation of its waters. His resumé was sterling. In addition to being a principal in a San Francisco engineering firm,



Bowman Lake

Tibbetts served as chief engineer of four large reclamation districts, two water conservation districts, seven irrigation districts, two land development companies and a hydroelectric power company in Anchorage.

Within a year of NID's formation, on February 10, 1922, he submitted his final engineering report, which identified mountain water sources and the infrastructure needed to carry the water to the farms and ranches of Nevada County.

"If satisfactory arrangements can be made to sell the power (this would be accomplished in a 1924 agreement with PG&E), the district should immediately bond itself to pay for capital changes and secure every possible water right," Tibbetts wrote in the introduction to his 97-page report.

The report also described the elevations, topography, geography, and irrigable and non-irrigable lands of the District. "Because of the favorable climate conditions this district should ultimately develop into one of the best fruit districts in the state," he predicted.

Tibbetts outlined the framework of an irrigation district that would collect water from two primary mountain watersheds and include sources for

Bowman Reservoir, Jackson Meadows, the Bear River, Deer Creek and South Wolf Creek. He envisioned the District would collect most of its water from a 71-square-mile watershed, ranging in elevation from 5,400 feet to 8,500 feet. Central to the system would be the existing Bowman Reservoir, which had been built on Canyon Creek in 1872-1876 to supply hydraulic gold mines on the San Juan Ridge. Tibbetts described the original builder of Bowman Reservoir, Hamilton Smith Jr., as "one of the best-known hydraulic engineers of the last generation."

The mountain water system first described in the Tibbetts report is remarkably similar to the system that supplies NID water users today. Near the top of the system, northwest of Truckee, Jackson Meadows Reservoir was plotted, but would not be built until the 1960s.

Water from Jackson Meadows flows through Milton Diversion Dam, and then to Bowman through the Milton-Bowman Tunnel. Additional supply flows to Bowman from French, Faucherie and Sawmill upstream of Bowman on Canyon Creek. Below Bowman, the Bowman-Spaulding Canal carries water to PG&E's Spaulding Reservoir on the South Yuba River watershed.

This critical link would be 11 miles long, with 9.7 miles of open canal and 6,970 feet of conduit encased in three tunnels.

At Lake Spaulding, it would mix with PG&E water and pass through turbines on its way to either the PG&E Drum System (which parallels today's Interstate 80 along the Bear River) or down the north side of Bear Valley into the PG&E South Yuba Canal, which supplies Deer Creek, NID's Cascade system and the greater Grass Valley-Nevada City area.

The NID Board of Directors approved Tibbett's report and set out to acquire water rights, secure properties, negotiate a contract with PG&E and issue a bond to generate revenue.

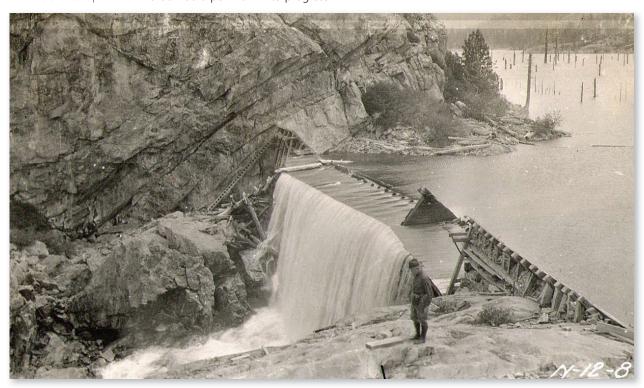
PG&E water contract – "A new day is dawning. ... At long last the District is launched"

At the onset of District formation, Directors and the General Manager opened negotiations with PG&E to seek a contract regarding use of District water for PG&E power purposes. PG&E had not been viewed as cooperative during the formation process, but now the relationship of the two organizations would take on a much friendlier flavor. The fruition of this was a lucrative contract in 1924 that would permit NID to progress.

During its then-brief history, PG&E had amassed reservoirs and infrastructure, as well as water rights, to ensure hydroelectric power for its growing electric service in Northern California. Tapping water from the South Yuba and Bear rivers, the utility in 1912 began to construct six power plants with a capacity of 190,750 horsepower, and strung a 110-mile transmission line to carry 100,000 volts to PG&E's switching station at Cordelia, California. Starting in the Bowman Lake corridor, PG&E began to build its empire by impounding water in Fordyce, Meadow and Sterling reservoirs for hydroelectric operations via a complex network of canals and creeks downstream at Lake Spaulding. Notably, the utility company owned and operated Lake Spaulding Dam, completed in 1913, using the water of the south fork of the Yuba River, which originates near Donner Pass. At the time of construction, it was the highest dam in California.

On March 5, 1924, after three years of negotiations, a telegram announced: "Mutual concessions proposed by (NID) District and (Pacific Gas & Electric) Company in conference before Railroad Commission this afternoon provide basis which Commission approves for contract with Company that will safely finance District," as reported in The Morning Union in Grass Valley.

NID Engineer Fred Tibbets at Faucherie Lake in the 1920s.



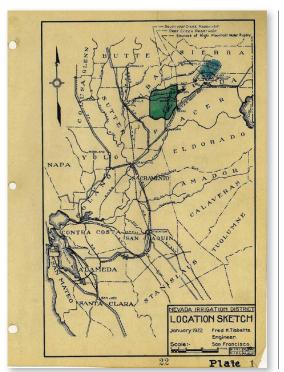
The terms of the contract spelled out the details, which included how to route NID water through the PG&E powerhouses. PG&E agreed to use the water developed by NID for the development of power in a portion of the Drum-Spaulding system, a complex array of mining canals, reservoirs and hydroelectric facilities that had been in operation since the late 1800s. A new powerhouse would be built on the rim of Lake Spaulding; those waters would be later released through the Deer Creek powerhouse and an outlet leading into Bear River near the Narrow Gauge railroad bridge. After PG&E used the water, it would be returned to NID. PG&E agreed to pay between \$375,000 and \$400,000 per year, assuring the District a solid income to develop its operations.

This contract was important: With the backing of PG&E, NID turned to efforts to issue a bond. The money would be used to raise Bowman Dam, construct the Bowman-Spaulding Canal and construct the Milton-Bowman Tunnel

Bond issue supplies money to get the water flowing

In 1922, NID applied to the State Bond Commission for the authority to conduct a bond issue, as leaders desired financing to acquire water rights, as well as purchase and construct the basic facilities that would become the District's water storage and delivery system. Established with a little more than \$2,500 in pledges from local farming and business communities, the District got a boost by its landmark 1924 agreement to supply water to PG&E power plants. The wait was over in 1925 when the State Commission authorized an election for a \$7.25 million bond issue.

A campaign commenced with farming and business interests lining up on the pro side and landowner groups concerned about debt and taxes coming out in opposition. Local business leaders saw the value of a stable and reliable water supply for their communities. A major opponent of the bond issue was the Interstate Land Holding Co. of Smartsville, backed by Excelsior Water and Power Company, which had been selling water on a private basis. Other opponents listed in campaign materials of the time were the Nevada County Tax Payers League and the Landowners Protective Association. Before the election, on



Tibbetts' map of the District – 1922



February 28, 1925, The Sacramento Bee reported it to be "an exciting campaign in progress for several months and increasing in intensity in the past few weeks."

When the ballots were counted, NID had achieved its second victory at the ballot box. Now it had \$7.25 million in the bank to build a water system. And it was time for Wisker, "the father of NID," to work his magic. Over the next three years, he negotiated the acquisition of several properties that remain today as the backbone of the NID water collection and distribution system.

NID's first Board of Directors met at the Holbrooke Hotel in 1921.