

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

January 25, 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 25th day of January, 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; 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; Shannon Wood, Business Services Technician; Doug Roderick, Senior Engineer; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

PUBLIC COMMENT

Andrew Wilkinson, a resident at the top of Red Dog Road in Nevada City, spoke about his experiences with contractors from two major District projects in his neighborhood. Those contractors were Teichert Construction and T&S Construction. He primarily wanted to point that T&S Construction proved to be community centric. To highlight his point he shared a few very important instances where T&S Construction and members of their crew went above and beyond.

Mr. Wilkinson shared an event that occurred the day after the 4th of July, when the first responder to fireworks at the end of his road was T&S. They brought in an excavator and a water truck, and were there before the fire department. He felt that they went above and beyond and helped to divert a major fire. He added that as contractors they really didn't need to care, but they did, and that this was an example of contractors that understand the community and where they live above and beyond everyone else.

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Mr. Wilkinson shared another story of how a lead foreman with T&S Construction recently was the first responder to an overturned vehicle on an icy road. Mr. Wilkinson explained how the foreman helped to get people that were trapped inside out of the vehicle. He shared that it spoke to him that T&S is happy to work around them and in their community. Mr. Wilkinson went on to say that they are so thrilled to see fire hydrants. As a member of the community he wanted to say what a fabulous job T&S Construction has done in terms of interacting with the local community, and they have done a stellar job. Personally, he couldn't be more thrilled. He shared that he understood that the annexation of Local Agency Formation Commission (LAFCo) process is starting to happen. He has been reading about the meetings. Mr. Wilkinson said that he is very excited that NID is doing an awesome job by doing what they should be doing, which is extending water to the community, and also protecting water through the conservation efforts and the water storage efforts.

MINUTES – January 11, 2017 Regular Meeting

Approved the minutes of the regular meeting on January 11, 2017, as amended. M/S/C Drew/Weber unanimously approved

WARRANTS

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

PLACER COUNTY LOCAL HAZARD MITIGATION PLAN

Adopted Resolution No. 2017-03. M/S/C Drew/Weber, unanimously approved

ANNUAL DISCLOSURE OF REIMBURSEMENT (Res. No. 2017-04)

Adopted Resolution No. 2017-04 (Annual Disclosure of Reimbursement to Employees and Directors). M/S/C Drew/Weber, unanimously approved

POSITION LISTING AND COMPENSATION SCHEDULE – 2017

Adopted the updated District's Position Listing and Compensation Schedule for 2017, and authorized posting to the District's website. M/S/C Drew/Weber, unanimously approved

EMPLOYEE RELATIONS – Carter, Retirement Presentation (Res. No. 2017-01)

The Board applauded David Carter for his 37 years of service. President Wilcox and the Board presented Mr. Carter with a Certificate of Appreciation (Res. No. 2017-01).

Remleh Scherzinger, General Manager, recognized Dave Carter for his 37 years of service to the District. Mr. Scherzinger shared that while not an NID employee, there was no question that Mr. Carter is cut from the same cloth as the members of this District, and truly dyed blue. He shared that Mr. Carter's professionalism and dedication to his craft is something that all can aspire to, and that his fine work is truly appreciated. Mr. Scherzinger stated that Mr. Carter has done a great job in generating the District's

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press releases and newsletters. All the while he has tried his very best to fairly represent the District, the District's good deeds, and has aimed to help the public understand this organization that we love and call the Nevada Irrigation District, which can be at times gregarious and misunderstood. Mr. Scherzinger presented Mr. Carter with a District pin, and on behalf of the staff, both present and past, thanked him for his service.

Dave Carter thanked everyone at the District for the opportunities that he has had. He shared that he was hired by Fred Bandy, the General Manager from 1977-1986. Mr. Carter was a reporter at The Union at the time, and he proposed a public information program for the District to Mr. Bandy. He said that Mr. Bandy bought into the idea, convinced the Board to hire Mr. Carter, and he has been with the District ever since. Mr. Carter shared that it has been wonderful meeting a lot of great people at the District, from Board members, employees, and managers. He said that he always tried to tell the District's story in an honest and forthright manner, and hopes that the District continues to tell its story in an honest and forthright way, while keeping the community informed. Mr. Carter stated that he may still be around a little bit while working on the District's 100th anniversary book that should be coming out in about three years. He shared that he has had a lot of fun and expressed his thanks.

President Wilcox shared that he first crossed paths with Mr. Carter in the inaugural year of the Nevada County Volleyball Association, and that their view of each other was always through the net since they were on opposite sides. He acknowledged Mr. Carter's longevity with the District and thanked him for his services.

YUBA/BEAR RIVER WATERSHED SANITARY SURVEY PRESENTATION

Chip Close, Operations Manager introduced Bonnie Starr of Starr Consulting Services, and shared some history about the Safe Drinking Water Regulations, passed in 1996 by the Environmental Protection Agency. The regulations were established in an effort to standardize drinking water regulations, and to ensure health and safety for drinking water customers. Part of the regulations included the development of a watershed sanitary survey that was put in place to ensure that whatever was coming out of the watershed and in to the drinking water plants was documented. The study also helps to determine whether or not the drinking water treatment plants have the proper treatments in place to treat out contaminants found in the watershed. The Act was adopted and implemented in 1996, and the District completed their initial study in 1996. That report was shared with the Placer County Water Agency (PCWA), because PCWA and NID share the same watershed. This was beneficial because it provided a multitude of sampling station results across the watershed, including both NID and PCWA results, and it kept costs down while resulting in a very substantial report. Since that time, the District has done multiple updates. Regulations require an update to be performed every five years, and the District has complied with study updates in 2002, 2006, 2012 and now 2017. All of these updates have been shared with PCWA. The last three rounds have been done by Starr Consulting Services. Mr. Close added that it is with great pleasure that Starr Consulting Services continues to perform these services for NID. Bonnie Starr of Starr Consulting Services is local and therefore has great interest in the water she is getting. He shared that Ms. Starr is very familiar with the local

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watershed and the conditions that are experienced, which is invaluable information. Mr. Close stated that the local aspect is something that the District also really appreciates, and he hopes that the District can continue to work with Ms. Starr in the future.

Bonnie Starr of Starr Consulting Services, thanked Mr. Close for his introduction and thanked the Board for having her. It has been her great pleasure to continue to work for the District on this project. Ms. Starr praised the District's amazing staff for being top notch, providing excellent information, and said that the work they do is well reflected in the study she is presenting. Ms. Starr shared that she is an engineer, an independent consultant, works out of nearby Weimar, and that she does source water protection and assessment work throughout the state of California. She shared that she always really enjoys doing the Yuba/Bear because it is her back yard. Ms. Starr shared that she did not do the work alone and that she has another consultant, Leslie Palencia of Palencia Consulting Engineers, who works with her on projects that are this large. Ms. Palencia is based out of Southern California, is an engineer, and a Grade 5 Water Treatment Plant Operator.

Ms. Starr noted that her presentation is based on an evaluation of historic information for a five year period, from January of 2011 through December of 2015, and that it is a regulatory compliance project. She shared that there are very specific objectives. It is for operations related to the water treatment plants. She stated that first and foremost regulations must be complied with that are both the California Surface Water Treatment Rule and the Federal Interim Enhanced Surface Water Treatment Rule that require not only the original update, but an update every five years. The whole point is to look at what is in the District's watershed that can be affecting water quality that can be effecting how the District is treating the water. With that, they look at constituents of interest, which are those that are regulated. They also look at the raw and treated water to see how the District is treating it, and they look at the potential contaminating activities in the watershed, which are things they have identified that have the potential to affect the source water quality. This information is then looked at to try to develop relationships to see if there is a cause and effect, and if there are recommendations that can be made for the District to implement that are practical, feasible and within the District's authority. Ms. Starr explained that The Yuba/Bear River Watershed Sanitary Survey area of interest is that area from which the District's water supply originates.

Overview of The Yuba/Bear River Watershed Sanitary Survey 2017 Update Presentation:

- Study Objectives of the 2017 Update
 - Fulfill SWTR and IESWTR (required every five years); identify significant changes in past five years and comment on appropriate level of treatment for pathogens
 - Review and evaluate selected water quality constituents of interest in raw and treated water to assess ability to meet current and future standards at each water treatment plant (WTP)
 - Review and evaluate selected potential contaminating activities to identify potential impacts on source water quality

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- Develop practical and feasible recommendations to protect and possibly improve source water quality and treatment
- Significant Changes in Past Five Years
 - Turbidity Data Review
 - Microbiological Constituent Data Review
 - Disinfection by-product precursor Data Review
 - TTHM and Temperature at North Auburn WTP
- Key Findings and Conclusions Individual Intake Evaluations
 - Treated Water Turbidity Data Review
 - Treated Water Microbiological Data Review
 - Disinfection By-Product Data Review
 - Title 22 Data Review
 - Unregulated Data Review
- Key Findings and Conclusions Potential Contaminant Sources
 - Key findings – Watershed
 - Forest Activities
- Recommendations to consider

Director Miller inquired if the water Donner Summit uses to make snow is recycled or raw water.

Ms. Starr clarified that it is treated, and that they had a National Pollutant Discharge Elimination System (NPDES) permit in place before doing that. She added that a lot of times when land disposal is being done, the land disposal requirements are not as high as surface water discharge requirements, and there is a plant in place that meets surface water discharge requirements, so it is even better.

President Wilcox mentioned that Penn Valley is in the process of hooking up all of Penn Valley to the Lake Wildwood Wastewater Treatment Plant. The sewer lines are currently being installed. The plan is to eliminate the wastewater pond at the Creekside Mobile Home Park, put all that water in to the collection system and take it to Lake Wildwood for treatment. Mr. Wilcox shared that the mobile home park will soon connect to the sanitation district, and that the Nevada County Local Agency Formation Commission (LAFCo) has annexed them into the sanitation district, so the problem is being addressed.

Ms. Starr said that it was great news, that they have been pointing this out for about ten years in the sanitary survey, and that as far as she knew to date, the mobile home park has not indicated a willingness to connect to the sanitation district. She said she was glad to hear of this change. Since they did not have this information when doing this survey, it is not documented in the report. The next five year study should reflect this change. Ms. Starr added that this is great because the pond is so close to

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Squirrel Creek that it has the potential to affect it and therefore affect the Smartville Water Treatment Plant.

Director Miller asked for clarification of detention time mentioned in the presentation.

Ms. Starr clarified that detention time is referring to how long the water is held in the basin, and gives the contact time for disinfection. Discussion followed as to the differences between contact time, detention time and filtration.

President Wilcox inquired if there were specific projects being recommended for the Smartville Water Treatment Plant and if they are on the District's list of projects. He added that this presents a problem for the District as there are approximately forty connections in Smartville, and the economics of this become really problematic.

Remleh Scherzinger, General Manager, added that it is governed by the Railroad Commission Order (RCO), and is not something that can be given up.

Chip Close, Operations Manager, added that the District is an active member in CABY. He shared that one of the projects that the District has been awarded through CABY is the encasement of the Mead Canal. He added that Brian Powell, Maintenance Manager, and his crew have been spearheading the grant portion of this project. They are providing the District some funding to encase the canal to provide additional source water quality protection. The canal completely fills up with algae and has livestock running through it. Mr. Close shared that this should help and is grant funded.

President Wilcox interjected that encasement is probably a good solution, but added that the District is also getting some push-back from local people that do not want to see their historic canals encased.

Mr. Close shared that Yuba County has recently contacted the District in an effort to study other ways to supply the whole Smartville area. So the District is working with Yuba County to see if there are other alternatives. Maybe ground water wells would work better in that area, and the District is open to future talks should Yuba County like to take over the Smartville Plant.

Remleh Scherzinger, General Manager requested that Mr. Close inform the Board about the performance of the wells that were proposed.

Mr. Close indicated that there were initially two wells known to be in Smartville, and were being proposed as being able to meet the needs of not only a Smartville subdivision, but also Gold Village Subdivision as well. He shared that recent volumetric studies of those wells have now shown that the volume is not quite what was promised, so other alternatives are being studied.

President Wilcox added that it is a problem area, and discussion followed about how the area falls outside of the District's exterior boundary.

Ms. Starr stated that as mentioned earlier, she has been doing this report for a few cycles now. She added that she is continually impressed by what NID is able to do for

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the few people down in the Smartville area. It is a lot of work, it is a lot more work than the other facilities, it is challenging and yet they are able to get it done. Ms. Starr shared that she felt part of her job is to look at what can be done.

Ms. Starr stated that it is not a regulatory obligation to complete the recommendations from the report, and that they are simply options that the District may consider moving forward. She added that there was great success in the Banner Cascade Pipeline and in the partial encasement of Magnolia 3 in reducing both solids and microbial content. Encasement is certainly proving to be a very effective source water protection mechanism for NID. She added that during the study, PCWA kept saying that they wanted to get their Board to do more of what NID is doing. Ms. Starr congratulated the District on their work and progressiveness in protecting the water supply, adding that she didn't know if most people realize how important it is to human health.

The Board was appreciative of the presentation, and expressed that it was very good and informative report.

Director Weber requested a copy of the report.

Mr. Close stated that there are paper and disc copies available.

Director Morebeck requested that Ms. Starr expand a little on the recommended changes to alleviate the algae at Rock Creek Reservoir.

Ms. Starr clarified that the recommendation is to investigate it because there is no documentation other than anecdotal. For example, algae is seen and it becomes evident it is there, they look at the carbon levels and they went up, when it is warm, as it is a low elevation reservoir. So the first thing they would recommend is to conduct an assessment of the conditions in the reservoir to see that there are real facts, real information and real data to support that it is or isn't happening. Because it is seasonal, it would not be happening now, but would be happening late May through October, depending on the weather. This gives time for the District and PCWA as well, since their water goes through Rock Creek. Then if it is determined that there is an algal presence and that it is affecting the source water quality, that is when the District can consider what can be done to manage those conditions in the reservoir. She added that PG&E is the owner and operator of the reservoir, so the District would need to have consensus with them and move forward with them.

Director Morebeck asked about the presence of algae and the certain levels that are looked for.

Ms. Starr then discussed the certain strains or species of algae that one would look for, and went in to some detail of the different characteristics.

Bob Branstrom, a resident of Grass Valley, asked if there is a need or any plans for additional monitoring locations or additional monitoring metrics of different types of pollutant water constituents. He also asked if the District does any testing for mercury at different locations, and if so, where that stands.

Chip Close, Operations Manager, explained that in regards to cannabis cultivation, what was not shown in great detail is that much of the information that is in this report is a result of a water quality monitoring that the District already does. The District is monitoring these constituents basically non-stop at all the intakes of the treatment plants. So if there is a significant impact in runoff from a cannabis cultivation site that is close to the plant, it will be seen in the Districts monitoring. If seen it would be tracked down, and sources above and below would be measured to determine the effects. Mr. Close added that the same can be added for mercury monitoring. The mercury issue in the reservoirs is an aquatics and fisheries issue. The levels of mercury found in the water for the drinking waters plants, was basically non-detectable at the levels that the drinking water laboratories monitor.

Remleh Scherzinger, General Manager, added that mercury in its elemental form is a sediment bound element. It is not in the water, it is in the sediment. As Bonnie Starr pointed out, the turbidity is very low, meaning there is not a lot of sediment moving through the system, indicating that the District is in a good position with these facilities.

Director Miller said that every year the District tests for heavy metals and does a state mandated analysis of its water.

Chip Close, Operations Manager added that the Water Quality Report Director Miller is referring to is done every year and is shown on the District web page. He added that within that report are the levels for mercury, which is basically non-detectable.

Remleh Scherzinger, General Manager, asked that Ms. Starr pass on his warm wishes to Leslie Palencia, whom he used to work with at The Metropolitan Water District of Southern California.

WATER SERVICE RULES AND REGULATIONS SCHEDULE 4-A

Brian Powell, Maintenance Manager, explained that the intent for this proposed fee increase is to cover the installation costs for meter service installations so that existing rate payers are not paying for facilities installed by individual property owners. These costs have not been increased since 2007, despite the large increase in labor and material costs since that time. The new rates shown on the cost breakdown were determined by establishing a base rate installation for the service assembly, meter, and mainline tap and a separate cost to install the service line on a per foot basis. The table below represents the cost for a single domestic service installation, a cost for a domestic service and a fire service and the cost for a per foot service line installation.

Proposed estimated cost to install services in a variety of scenarios is the following:

- Base Rate - single service installation: \$4,984
- Base Rate - double service (domestic/fire service) installation: \$5,375
- Cost to install service line beyond Base Rate per foot: \$ 64
- Separate Cost for Hot Tap and Valve for Contractor Install \$ 692

The District will allow a property owner to use the services of an outside contractor under certain circumstances. The District will have a pre-authorized list of contractors that have shown their capability on past work and District staff trusts to work in and

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around the water mains. The contractor would install the meter assembly and service line but District staff would hot tap the main. This hot tap work would be an additional cost above their contractor cost. The contractor would work in conjunction with the Maintenance department for scheduling and would need to file with the Department of Industrial Relations and submit bids using prevailing wage thresholds.

The idea and structure of the fee is based on two components:

1. Standard to all meter installations: Includes cutting the asphalt, digging down to the main, exposing the main, putting the service saddle on it, hot tapping the main.
Customer side is installing the meter assembly, the yoke and meter set and meter box. These basic operations are the same.
2. Installation of the service line: In some cases the main will be on the same side of the street as the service assembly and other cases it is on the opposite side of the street, so there is a distance of service line installation that needs to be captured in order for people to be paying their fair share of costs for these installations.

Mr. Powell explained that the current cost for a single meter install is \$1,581, which will increase to \$4,984. The current cost for a single meter and a fire service \$3,246, and will increase to \$5,375. Service line installation per foot is at \$64 per foot. The standardized cost change will allow the District to capture their costs for installations. The District has only been capturing approximately 30 percent of the actual cost of these installations.

Director Weber asked when the list of contractors will be available.

Mr. Powell stated that they are looking at and gathering a list of contractors and will have the list available in the next couple of weeks. He also pointed out that if a property owner wants to have an outside contractor do the installation of this, the District would allow it. However, it will be recommended that the property owner use a contractor from the District's preferred list of contractors, as they are more comfortable with these contractors working around their mains. The contractor would do the service line installation, meter install, expose the main, and put the service saddle on it. The District would come in and do the hot tap at the main for a fee of \$692. The District is not comfortable having other contractors actually tapping into District running water sources.

Remleh Scherzinger, General Manager, stated that as part of the DFWLE, the District sets the meters, and all of that cost is woven in to the project. This is for customers that are essentially on a main that are trying to connect after the fact.

Director Weber asked if it applies to any new Community Investment Program (CIP).

Mr. Scherzinger confirmed that the District will tap for the manifold, set the box, and there is no additional fee.

Director Miller mentioned the possibility of reviewing and possibly increasing the financing cap and discussion followed.

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Mr. Scherzinger reiterated the difference between the proposed fee increase and District Financed Water Line Extension (DFWLE). He stated that in doing a DFWLE, the main, the connections and all are included in the DFWLE price that is parceled out to those different members. They get a price total. The proposed item is for private homeowners fronting a main, who may have been on a well, and who finally want to connect. This price would activate. Right now the term payment agreement, which is a maximum of \$20,000 for ten years, can be utilized to buffer that price.

President Wilcox added that this seems like a big increase, and the reason is because it hasn't happened in such a long time. He feels there is an opportunity here to continually look at this policy and update the costs as costs change. He added that the reason there is a per foot charge rather than a fixed charge is because it is a variable that the District does not have control over, and it is an attempt to level the playing field. The goal is to recoup our costs.

Mr. Scherzinger explained that the District could go to the model of billing for actual costs, but it causes a certain amount of question at the customer desk. When the customer comes in and asks the cost. The District is very comfortable being able to say what the cost is to open up two holes, to connect, and to lay the service, including the measured distance. He added that the customer will have a more solid financial picture of what the cost will be.

Director Morebeck added that if the owner picks their own contractor, that contractor may very well gauge their bid on the price quoted by the District, and come in just below it.

Director Weber asked for clarification regarding District financed waterline extensions, and what the fee would be for those in a DFWLE who decide to hook up at a later time. She asked if they would be established for the DFWLE package or the new connection fees.

Gary King, Engineering Manager, explained that under a District financed waterline, the District puts in the pipeline and the services. The services are put in for all anticipated parcels, including those parcels that are not participating in the DFWLE. This is done primarily to avoid future asphalt restoration. When those property owners that are not participants decide to join in, they pay for their fair share of costs for the construction of the pipeline. Part of that cost of construction for that pipeline includes the service cost. If they did not have a service at all, for example, if the owner subdivided the lot, then the District would use this new policy item to install the new meter, plus whatever fees would apply.

Mr. Scherzinger clarified that if there is a meter on the parcel, vacant or otherwise, and the property owner just didn't participate at the time, then they get the same price as everyone else. If there is no meter there, then the property owner would pay based on this new scale.

Adopted the revised costs for water service installation for Schedule 4-A which was recommended by the APC at the meeting on January 3rd. M/S/C Miller, Drew, unanimously approved

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COMBIE PHASE I CANAL AND BEAR RIVER SIPHON REPLACEMENT PROJECT –
ENGINEERING CONSULTING SERVICES

Doug Roderick, Senior Engineer, explained the need for consulting services from Quincy Engineering, for design services to help support the District's design for the Combie Phase I component, which is part of the overall project that includes the Bear River Siphon. He provided an update that the District has bid the Bear River Siphon, and should be presenting to the Board in February with a recommendation for award for a contract.

Director Miller added that this is Table Meadow, and that a few of his constituents have been approached by a contractor to rent storage space already.

Mr. Roderick informed Mr. Miller that this occurred during the bidding process. Some of the contractors requested that be allowed to speak with some of the property owners regarding storage. He asked the property owners if that was okay, and they agreed. The contractors contacted the District, and the District gave that information out.

Mr. Roderick continued that this is in continuation with the Combie Phase I portion, which is the pipeline portion of the project, which is still in design mode. He shared that Quincy Engineering was first brought on to augment staff time with prequalifying of the contractors. They developed the package, sent it out, handled noticing, reviewed it and gave recommendation as to who the District should have on their prequalified list of contractors, which the District adopted. He added that in addition to that, Quincy Engineering also helped with some of the design components of the main canal replacement with the pipeline. This included the transitions for expansion joints, looking at differences of pipe in relation to some cost savings. They also helped with some general construction issues and potentially some cost estimating with regards to the steel pipe the District is moving forward with. Mr. Roderick explained that recently the District looked at the cost and the effort to install the steel pipe. They are re-evaluating based on Reinforced Concrete Pipe (RCP), which apparently looks like a better product for the District in terms of cost savings. What this contract is really for today, is to allow staff to continue with Quincy Engineering in terms of some of the engineering aspects related to the RCP, as it looks like the District is likely to move forward with RCP. He said it is an hourly arrangement where they will work with the District for their time. The District staff will still develop the final drawings and put all the bid packages together.

Director Drew asked if the District would span the river with RCP.

Mr. Roderick said that the Bear River Siphon is a separate component, has already been done and is going to be steel. This is for the actual canal replacement portion of the project which is on the ground.

President Wilcox clarified that the concept is that the District will construct the new siphon before doing anything on the canal itself, and have the new siphon there, and that part of the contract will be to remove the old siphon.

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Mr. Roderick replied that is correct, it is all part of the package that will be brought to the Board hopefully in February. It will include the removal of the existing siphon.

Director Miller inquired if the replacement will be pedestrian safe.

Mr. Roderick stated that it will be staff safe, but is not intended for pedestrian to use.

Director Weber asked for explanation of RCP.

Mr. Roderick replied that it is reinforced concrete pipe.

Mr. Roderick recommended the Board's approval and added that the full amount was incorporated, and that the first two task orders have already been approved.

Awarded consulting contract with Quincy Engineering in the amount of \$199,000 and authorized the General Manager to execute the appropriate documents. M/S/C Drew, Miller, unanimously approved

TARR CANAL MODIFICATIONS – GILLETTE PROPERTY (WO#8280)

Gary King, Engineering Manager, began his presentation by thanking Bonnie Starr from Starr Engineering for her presentation and for sharing about some of the threats to the systems. Ms. Starr mentioned about drainage coming into the canals and creating threat.

Mr. King explained how the ravine and multiple storm water pipes convey storm water into the District's canal. This water has caused numerous over toppings of the canal. These over toppings have led to claims and degradation of the canal system in this area. He shared that the intent of this project is to pipe the canal where the ravine significantly hits the District. He explained that by piping the canal the storm water can go over the top of it, rather than into the canal. To do this, the District would pipe the canal, put flow fill over the top of it with rocks to slow down the velocity, and allow the water to come over the top of the canal and proceed to the drainage way that already exists on the downstream property, and head toward Dry Creek. He also pointed out that this property previously belonged to and the Gillette's, and is to referred to as the Gillette Property, yet it is now under new ownership.

Mr. King explained that the project was bid out to five contractors, and the District received one bid from Hanson Brothers in the amount of \$187,536. Mr. King spoke with Hanson Brothers and was told that they can complete it by the time the District begins the irrigation season, because the Tarr Canal can be taken out of service. This item is currently budgeted in the Raw Water System Improvement program and this year's budget for that program is \$900,000.

Director Weber shared that she thought she could go back about sixteen years, and recall multiple times when specific issue has caused the District problems. She added that it has probably cost the District more in claims over the years than it will cost to fix it.

Director Drew asked for clarification that angular rock would be used.

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Mr. King confirmed that angular rock would be used and not round rock in order to bed in better.

Director Miller asked where Strubles Lane was.

Mr. King replied that Strubles Lane was down off of Wolf Creek Road, and gave directions by way of McCourtney Road. He then agreed with Director Weber that there have been multiple issues for a long period of time, and that this project will reduce the storm water impacts.

Director Morebeck asked if this location is close to the river.

Mr. King shared that the Dry Creek is not more than a quarter mile down through this property, through the drainage way that now exists. He added that there are currently three drainage pipes that aim at the District's canal, and these drainage pipes discharge storm water into the canal.

President Wilcox agreed that the Tarr Canal has had some issues in that area, and that this has contributed to it. The problem is that downstream of this location, the Tarr Canal runs in a natural channel for about a mile, and it picks up a lot of natural inflow. He shared that every time there is a big rain, the District gets complaints from people who believe that NID is damaging them. In fact, it is because the natural drainage gets in there, and having the drainage in enter at this point, exasperates that situation. He shared that he felt this is a really good project to get taken care of. He added that there will always be problems on the Tarr due to the fact that the District uses the natural water course. When the Tarr Canal was laid out in the 1860's, this was how it was done.

Mr. King shared that this project aligns with the District's Storm Water Policy 6655.

Awarded contract to Hansen Brothers for the Tarr Canal Modifications in the amount of \$187,536, and authorized the General Manager to execute the necessary documents. M/S/C Drew, Weber, unanimously approved

GENERAL MANGER'S REPORT:

Remleh Scherzinger, General Manager shared that NID continues to review rainfall data, which is above 70" at Deer Creek Powerhouse, and that we are on track to be the wettest year on record using the eight station index. NID stands at 244,000 acre feet, radial gates are open, and we are managing full reservoirs at this point.

Mr. Scherzinger shared that he spent a portion of the day recently down at the capital with Greg Jones, Assistant General Manager and Susan Holt, Contract Public Affairs Coordinator, trying to get the legislative package fired up to request that the Governor suspend his executive order to decouple the State Water Board's emergency regulations. The District is currently working with Senator Nielsen's office, and he is going to author a letter. Representative Dahle has agreed to sign it, and they also had the opportunity to speak with Senator Gaines's staff. Mr. Scherzinger shared that he put on the dais a letter provided to the District by one of the Mountain Counties Water Resources Association (MCWRA) consultants, John Mills, and also the subsequent

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article that clearly speaks to the fact that Chair Marcus on the State Water Board will not give up this regulation.

Mr. Scherzinger shared that something that has come up is testing for lead in schools. The District is open for business and any school that thinks that they have lead or even a suspicion of lead, NID will do system testing for them. The District has tested an elementary school in North Auburn.

Mr. Scherzinger has been asked to give an update on the live-streaming process. At a past Administrative Practices Committee meeting, Director Wilcox requested that the survey questions be brought to the full board, which will be done at the first Board meeting in February. Once that is resolved, items will continue to be brought before the Board. The District is continuing to move some of the other processes forward in terms of making sure the District has the right tech, making sure the District understands Granicus, and some of the others, and looking at policies that are important to the District.

Mr. Scherzinger requested that Keane Sommers, Hydroelectric Manager, provide a brief update on the winter so far and the hydroelectric operations up the hill. He presented pictures of the Bowman South Arch Dam, showing the snow blowing off of the hillside. He shared that recently while still bringing some water across from the Milton Bowman Tunnel, and needed to get up there and shut that down as there is more than enough water in the system. He shared that every helicopter pilot that day did not make it all the way in and had to turn around because it was far too windy.

Director Miller asked about NID employees rappelling off of rock at a particular surface as part of a maintenance project some time ago.

Mr. Sommers replied that the District does surveys of this dam to make sure that it was not moving, and that the survey department had come out to do that work. On a related note, he shared a picture of the drive through crossing below the spillway on the South Arch Dam. Historically, the flow has gone through the bridge. The channel decided that it was going to put itself in a different place during the most recent storm, and now the large majority of all of the flows will come across a crossing that shows massive erosion. He pointed out a hole of up to 8-10 feet deep. Mr. Sommers shared that the Forest Service Bowman Road is undercut by up to eight feet and it is likely that this road will disappear in his opinion, and he doesn't expect it to last the winter. He said that when there was spilling out of the Bowman Dam, there was several feet of water blocking the District to access it. So in order to get to the Bowman Powerhouse, the crews had to hike in with snowshoes through waist deep snow. He pointed out the path the crews took in hiking in and shared that it was an exhausting effort that they put in.

Mr. Sommers shared that in order to avoid this from happening in the future, some emergency construction was done, and that a cableway was constructed across the creek. It can transport materials and people to the powerhouse in the event of an emergency. He expects copious amounts of water to be spilling this year, and the road will not be available for use given the new channels. So in all likelihood, the new basket will be used to get back and forth to Bowman Powerhouse and Bowman Dam for the entire spring.

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Mr. Sommers shared more pictures showing high levels of snow, including the Bowman Lake Tender's House on January 23rd, showing snow to the second level and snow covering the floor level, and the transformer at the Bowman Powerhouse with a comparable picture from the summer showing the snow level. He shared that there have been some access problems. With high snow and strong winds, helicopter use has been very limited. He shared that PG&E has been doing a tremendous amount of work with their snow cats, and that they are out there today shoveling out the South Yuba Canal. He reported that access is incredibly difficult and incredibly slow, and shared a picture of PG&E's army of snow cats coming in and out taken from one of the District's snow cat on the same road. The official measurement of the snow from a snow stake out at Bowman is about 7 ½ feet of snow as of January 23rd.

Mr. Sommers explained The Bowman Powerhouse went offline about a week ago, and the District is struggling to get it back online. On January 24th, a helicopter was finally able to get out and patrol the line. He shared good news that despite a few trees lying on the line, there did not seem to be any physical damage or lines on the ground. He shared a picture that showed an issue that the District is having, which is that the right of way is too small in most areas, and the District cannot clear the trees that need to be cleared in order to protect the line. He said that this is one of the things that the District is going to need to aggressively start looking into. The appropriate right of way and how to get it needs to be determined. It can be a dangerous situation out there, and should one of these trees fall in the summer it could be a real problem. He showed a few locations where trees were taken care of, and he is hopeful that the powerhouse will be back on line by the end of the day on January 25th.

Director Miller asked about the strength on the lines.

Mr. Sommers shared that it tends to be an impact sort of loading when these trees come down, and what really causes the damage. He shared that the District was extremely fortunate that recent storms did not destroy a couple of poles or have some line on the ground. Mr. Sommers shared that when waiting for the helicopter the other day he spoke with a couple of pilots and workers from PG&E and AT&T, who said that they basically found a problem with every line that they inspected, whether it was trees on the line, wires off insulators, or just poles that have exploded from having a trees land on them. Mr. Sommers said that the District is fortunate, and he felt it speaks to the work that is being done out there, such as the tremendous amount of time the District spent out there during the summer to clearing around lines wherever possible and inspecting poles.

Director Miller clarified that this is the District's one main transmission line.

Mr. Sommers confirmed that this is the only transmission line owned by the District.

Director Drew thanked Mr. Sommers for his presentation.

BOARD MEMBER COMMENTS

Director Morebeck shared that on January 24th he met with Rem Scherzinger, General Manager and Gary King, Engineering Manager, and the Friends of the Auburn Ravine.

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He said they talked about a project they have to count the fish that are going by the gauging station. They have an underwater camera and use volunteers on a 12-14 hour basis in daytime when they can see, and they count the fish that are going in front of the camera line. So far this year they have counted 120 past the gauging station and 40 above Hemphill.

Director Drew asked if there was a projected cost of the Hemphill project.

Mr. Remleh Scherzinger, General Manager, shared that there is a grant from California Department of Fish and Wildlife for \$177,000, and the District's portion will be \$118,000. The District will be doing just under \$300,000 worth of work as part of the grant that will have a fish count over a number of years, a sediment study, and a fish study that the District is kind of already working on. The District is going to amplify \$100,000 that the District is already putting in with Kleinschmidt to review options 4 and 5, which are the Ranney collector barrel and RBS. The District is marching forward on resolution of this facility.

President Wilcox added that none of that money goes to construction.

Director Drew stated that as this project moves down the line and when the numbers become available, he would like those numbers to be tagged to the number of fish, in order to obtain the approximate cost per fish.

Mr. Scherzinger added that there will be a better feel as soon as the proposed project is lined up, and once the quality of the sediment behind the facility is obtained.

Discussion ensued about the cost per fish and past reported calculations.

Director Weber shared that she went to the CABY Coordinating Committee Meeting, and that Director Morebeck, her alternate was also there. She shared that they are really making great progress on the governance chapter, with compatible working relationships, and effective use of time. She said it was very pleasant for the committee to not be spinning around and around on some of the government issues, but moving ahead, and the JPA made a big difference with it. She was thankful for that. Ms. Weber also shared that she took a class from the Nevada County Public Law Center on cannabis and the state Proposition 64, because she thought there would be an opportunity at NID for her to need this information. She would like to have a future discussion on this topic and how the District may be affected. She shared that she also has a personal interest because there is talk about putting a small dispensary in the small shopping center near Seven Hills School, which is close to her. Ms. Weber plans to go to the City Planning Commission on January 26th to participate in that. She will also get as much information as she can on cultivation and report back to the Board.

President Wilcox shared that he attended the Penn Valley Town Hall meeting last week, and he thought it went fine. He said there were some interesting questions. They were written questions that he was able to respond to. For example, one question was if he thought the opposition to the Centennial Dam was going to be a problem. He shared that his response was that the opposition is actually helpful as it informs the process.

Mr. Wilcox also shared that he saw the movie "Voice of the Bear" at the South Yuba River Citizens League (SYRCL) Film Festival. There were slips of paper on every chair,

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which he shared. He said that Director Weber was quoted in the paper as she had seen the showing in advance.

Mr. Wilcox said that he and Mr. Scherzinger both attended a workshop on Sunday entitled "Dam Alternatives". He felt that they were both interested to hear what they had to say, and asked Mr. Scherzinger to share his thoughts about the workshop.

Remleh Scherzinger, General Manager shared that there were no other alternatives offered as part of that presentation, and that for the most part their 2-3 speakers reinforced NID's beliefs. Sharon Yernell was one of the speakers. She talked about the fact that the snow is shifting away, and that we are going to a more water driven system, which the District completely agrees with. Her models were running concurrent with the models that have been seen for the District. The need to do additional watershed work was expressed, which is also something that the District is engaged in. At this point, the District is working at Scotts Flat and English Meadow. Another speaker really spoke to conservation as a solution, which is something the District is fully engaged in and accepts. In 2016, the District conserved 26 percent over 2013 numbers. The District agreed with everything that was presented.

President Wilcox added that alternatives are an important part of the discussion.

Meeting recessed at 11:07 a.m. and reconvened at 11:12 a.m.

CLOSED SESSION was declared at 11:12, pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger and/or District Counsel regarding price and terms of payment; the property subject to negotiation is Placer County Assessor's Parcel Numbers 63-330-18, 63-330-19 and 63-330-20.

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 54957: Public Employee Performance Evaluation – General Manager

MEETING RECONVENED in regular session at 12:37 p.m.

MEETING ADJOURNED at 12:37 p.m. to reconvene in regular session on February 8, 2017, at 9:00 a.m. at the District's main office located at 1036 W. Main Street, Grass Valley, California.

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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