

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

August 14, 2024

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 14th day of August 2024, at 9 a.m.

Present were Rich Johansen, President (Division V), Ricki Heck, Vice President (Division I); and Directors Chris Bierwagen, (Division II); Karen Hull, (Division III) and Trevor Caulder (Division IV).

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Doug Roderick, Director of Engineering; Chip Close, Director of Water Operations; Steve Prosser, Director of Maintenance; Sandra Dunlap, Director of Finance; Monica Reyes, Director of Recreation; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

STANDING ORDERS

- Call to Order: President Johansen called the meeting to order
- President Johansen led the Pledge of Allegiance
- Roll Call: 5 Members Present

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

- None

CONSENT AGENDA

Public Comment: None

MINUTES OF THE REGULAR MEETING ON JULY 24, 2024

M/S/C Hull/Bierwagen, unanimously approved as submitted.

PURCHASE OF A NEW, REPLACEMENT EXCAVATOR

Adopted Resolution 2024-28 - Approving the purchase of one (1) 2024 John Deere 200 G (23 ton) Track Excavator in the amount of \$290,216.93 from Papé Machinery in Sacramento, California, and authorized the General Manager to execute the appropriate documents. M/S/C Hull/Bierwagen, unanimously approved.

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WARRANTS, PROJECT AND FACILITY REPORT, AND INVESTMENT REPORT

Ratified the issuance of warrants by receiving and filing the check registers, the Project and Facility Report, and the Investment Transaction Report for the period of July 13th through August 2nd. M/S/C Hull/Bierwagen unanimously approved.

WORKSHOP ITEMS

PG&E UPDATE - WORKSHOP

President Johansen introduced Tyler Covich, Manager of Water Management with PG&E, who provided an update

Board discussion:

- Cubic feet per second coming into the system currently and anticipated on 10/16
- Current and forecasted looks at Scotts Flat and Rollins Reservoirs
- Time estimate on Spaulding 2 repairs related to overspeed event damages
- Winter water
- Raw water conservation update
- Environmental flows
- Future FERC requirements
- Expressed appreciation for forward-looking second horn details
- Refill
- Ability to bypass Spaulding 2
- Conservation effort discussion
- Reorificing
 - o Differentiate production agriculture vs. landscape
- Current lack of any secondary bypass options

Public Comment:

- Mike, member of the public:
 - o Inquired if there was any bypass or pressure relief valve that could be implemented while repairs are underway
 - o Microphone issue when presenter is speaking
 - o If Spaulding 2 is fully operational and Spaulding 1 is out of commission for 2nd horn repairs
 - Would there be a dividing of Spaulding 2 flows into Bear River and Scotts Flat Reservoir
 - What would those capacities be
- Marieke Furnee, member of the public:
 - o Sense of damages on farmers
- Amanda Hixson, with Sierra Harvest:
 - o Inquired about mandatory canal rotations briefly implemented

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- Don Coenen, member of the public
 - o Asked if reorificing would mean cutting down/reducing the amount of water he would get if he already participated in voluntary reduction
 - o Congratulated the District on terrific job of managing water
 - o Suggested PG&E look at compensating those that have been hurt by this
 - o Deferred maintenance
 - o Age of powerhouses
 - o Expected pipe completion timeline and planning on it not being completed before the raw water season is over

GENERAL ORDERS

BUDGET TO ACTUAL REPORTS - FY 2024 Q2, FOR THE PERIOD TO DATE ENDING JUNE 30, 2024

Jennifer Hanson, General Manager, presented the item.

Board discussion:

- Overhead allocation scheduled for discussion on August 24th
- Breaking out Hydroelectric subsidy
- Net cash position
- Financial fiscal responsibility and kudos to Finance Team
- Streamlining processes and keeping rates down
- Hydro Fund 50 Revenue
- Power Purchase Agreement and powerhouse shutdowns due to negative market situations
- Recreation hit this year
- Importance of Spaulding

Public Comment: None

Received and filed Budget to Actual Reports - FY 2024 Q2, for the period to date ending June 30, 2024. M/S/C Hull/Heck, unanimously approved.

FY2024 MID-YEAR BUDGET AMENDMENT

Jennifer Hanson, General Manager, presented the item.

Board discussion:

- Building reserves
- Upcoming capital projects
- Appreciation for clearness of report
- Reserves
- Operating on 6-months of operating capital
- Adjust reductions made to some reserves – balancing appropriately
- Continuing CIP conversation

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Public Comment:

- Mike, member of the public:
 - o Negative power rates becoming regular thing
 - o Can NID run Spaulding
 - o Overall hydroelectric profitability strategy and looking adding battery storage
 - o Is Spaulding too large for NID to take on and what happens if PG&E decides to sell

Adopted Resolution No. 2024-29 - Approving the FY2024 Mid-Year Budget Amendment. M/S/C Bierwagen/Heck, unanimously approved.

FERC PART 12D INDEPENDENT CONSULTANT INSPECTION SERVICES

Doug Roderick, Director of Engineering, presented the item.

Board discussion:

- Allowances for cost increases over life of contract
- Confirmed no contingency included, as is time and materials contract
- FERC requiring 3rd party comprehensive assessments
- Grant money
- Update on exempting smaller dams from FERC license
- The District's history working with HDR

Public Comment: None

Awarded a contract to HDR, Inc. in the amount of \$2,810,589 to complete the Federal Energy Regulatory Commission (FERC) Part 12D Independent Consultant (IC) Inspection Services for twelve District dams and authorized the General Manager to execute the appropriate documents. M/S/C Hull/Heck, unanimously approved.

AWARD OF CONTRACT FOR THE NEW HYDROELECTRIC FIELD OFFICE ROOF REPAIRS (PROJECT NO. 2432)

Doug Roderick, Director of Engineering, presented the item.

Board discussion:

- Replace or repair
- Slope
- Amount of roof
- Scuffers included
- Location DCI is based out of
- Licensed installer
- Confirming that the warranty is transferable

Public Comment: None

Adopted Resolution No. 2024-30 - Approval of 2024 Fund 55 Capital Budget Amendment and Award of Construction Contract for The New Hydroelectric Field

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Office Roof Repairs Project No. 2432. M/S/C Heck/Bierwagen, unanimously approved.

GENERAL MANAGER'S REPORT

Jennifer Hanson, General Manager, reported on the following items:

- Nearing the end of recruitment for the Director of Power Systems position
- Busy winding up summer and a lot of presentations

BOARD OF DIRECTORS' ITEMS / REPORTS

Director Bierwagen, Division II, reported on the following items:

- Attended opening ceremonies at the Nevada County Fair
- Visitors at his pond, including two county supervisors, ag commissioner, and Director of RCD (Resource Conservation District) and Congressman Kevin Kiley

Director Heck, Division I, reported on the following items:

- Working with constituents
- Shared a letter received from a constituent regarding a positive experience with District staff

Director Hull, Division III, reported on the following items:

- Attended the Placer County Farm Bureau meeting
- Attended opening ceremonies at the Nevada County Fair
- Visited the South Yuba Canal and headwaters of the Bear River
- Commended staff for their superb communications and outreach to the public

Director Caulder, Division IV, reported on the following items:

- Encouraged ponds

Director Johansen, Division V, reported on the following items:

- Complimented Susan Lauer, Lou Douros and Antonio Garza, Farm Manager of Feeding Crane Farm on micro pond video
- Speaking at Economics Resource Council meeting on September 5th
- Natural Resources Conservation Service questionnaire and micro ponds on every ranch and farm for a transformational project

PUBLIC COMMENT ON ITEMS TO BE CONSIDERED IN CLOSED SESSION

- None

Dustin Cooper, Legal Counsel, announced that he did not expect there to be any reportable action from Closed Session.

The meeting recessed at 10:44 a.m. and reconvened in Closed Session at 10:55 a.m.

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Closed Session Workshop with legal counsel was declared 10:55 a.m. concerning the following topics:

Existing Litigation (Government Code § 54956.9(d)(1).) All pending litigation in which Nevada Irrigation District is a named party, including without limitation:

- a. Michael Rainey and Emerson Pachaud v. Nevada Irrigation District, Nevada County Superior Court, Case No. CU19-084309
- b. Nevada Irrigation District v. Eileen Sobek et.al., United States Court for the Eastern District of California, Case No. 2:21-CV-00851
- c. Nevada Irrigation District v. State Water Resources Control Board et al. Sacramento County Superior Court, Case No. 34-2020-80003544
- d. California State Water Resources Control Board v. Federal Energy Regulatory Commission; and Nevada Irrigation District, et.al., Respondent/Intervenor, United States Court of Appeal for the Ninth Circuit Court, Case No. 20-72432, consolidated with Nos. 20-72452, 20-72782, 20-72800, 20-72958, 20-72973
- e. Order Addressing Arguments on Rehearing and Addressing Supplemental Petition for Declaratory Order on Waiver of Water Quality Certification. 186 FERC ¶ 61,121
- f. Nevada Irrigation District v. Federal Energy Regulatory Commission, United States Court of Appeal for the District of Columbia Circuit, Case No. 23-1342
- g. In re Petition for Assignment of State-Filed Application 5634 and Accompanying Water Right Application 5634X01 of Nevada Irrigation District and the Pending Request for Releases from Priority of State-Filed Applications 5633 and 5634 in Favor of Water Right License 11120 (Application 10221) of South Sutter Water District
- h. Bay-Delta Proceedings, including the Delta Conveyance Project, the associated environmental document and change petition before the State Water Resources Control Board and the planned update to the Bay-Delta Water Quality Control Plan
- i. California Public Utilities Commission Proceeding A-22-09-018, Application of PG&E and Pacific Generation LLC for Approval to Transfer Certain Generation Assets, for a Certificate of Public Convenience and Necessity, for Authorization to File Tariffs and for Related Determinations
- j. Placer County Water Agency v. Pacific Gas and Electric Company, Sacramento County Superior Court Case No. 34-2023-00332647
- k. Claim Submitted by Aiman-Smith & March on behalf of Cari McCormick
- l. Tim Crough v. Nevada Irrigation District - Nevada Co. Superior Court: CU21-085299

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- m. Vincent Cauchi v. Nevada Irrigation District - Placer Co. Superior Court: S-CV-0046749
- n. Marvin Davis v. Nevada Irrigation District - Nevada Co. Superior Court: CU0000073
- o. Westcon Construction Corp. v. Nevada Irrigation District- Nevada Co. Superior Court: CU0001475

Board Action: None

Conference With Real Property Negotiators (Government Code § 54956.8)

- a. Property: South Yuba Canal and appurtenant facilities; Deer Creek Powerhouse and appurtenant facilities located in unincorporated Nevada County and Placer County Agency. Negotiators: Keane Sommers, Hydroelectric Manager; Jennifer Hanson, District General Manager; and District General Counsel. Negotiating Parties: Pacific Gas & Electric Company and Nevada Irrigation District. Under Negotiation: Instruction to negotiators concerning price and terms and conditions of acquisition.

Board Action: None

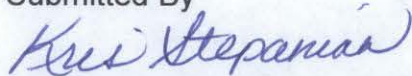
Anticipated Litigation (Government Code § 54956.9(d)(2) or (d)(3).) Significant exposure to litigation; two potential cases.

Board Action: None

Director Caulder left the meeting at 11:30 a.m.

MEETING ADJOURNED at 12:14 p.m., to reconvene in regular session on Wednesday, August 28, 2024, at 9:00 a.m. at the District's Business Center located at 1036 West Main Street, Grass Valley, California.

Submitted By



Kris Stepanian, Board Secretary