

NEVADA IRRIGATION DISTRICT
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

March 23, 2016

The Board of Directors of the Nevada Irrigation District and the Nevada Irrigation District Joint Powers Authority convened in regular session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 23rd day of March 2016 at 9:00 a.m.

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

Staff members present included Rem Scherzinger, General Manager; Tim Crough, Assistant General Manager; Marvin V. Davis, Finance Manager/Treasurer; Chip Close, Operations Manager; Gary King, Engineering Manager; Keane Sommers, Hydroelectric Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

MINUTES – February 24, 2016 Regular Meeting

Approved the minutes of the regular meeting on February 24, 2016, as amended. M/S/C Drew/Miller, unanimously approved

WARRANTS

Approved the following warrants: All Fund Nos. 73068 through 73439 and 900234 through 900277, inclusive; and Payroll Direct Deposit and Warrant Nos. 80259 through 80276 and V9151 through V9520, inclusive. M/S/C Drew/Miller, unanimously approved

EMPLOYEE RELATIONS – Nielsen Retirement (Res. No. 2016-07)

Adopted Resolution 2016-07 (Resolution of Appreciation upon Retirement – Torben Holmgaard Nielsen) after 18 years of service to the District. M/S/C Drew/Miller, unanimously approved

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EMPLOYEE RELATIONS – Anderson Retirement (Res. No. 2016-08)

Adopted Resolution 2016-08 (Resolution of Appreciation upon Retirement – Kathryn Ann Anderson) after 26 years of service to the District. M/S/C Drew/Miller, unanimously approved

NEVADA IRRIGATION DISTRICT INTERNAL COMPLIANCE PROGRAM – 2015 Compliance Risk Assessment Report Summary

Received and filed 2015 Risk Assessment Report Summary, prepared in accordance with the NID’s Internal Compliance Program. M/S/C Drew/Miller, unanimously approved

MONTHLY INVESTMENT TRANSACTION REPORT – February

Received and filed Monthly Investment Transaction Report for February 2016. M/S/C Drew/Miller, unanimously approved

DISTRICT SPECIFICATION REVISIONS – Water Mains (Section 12) and Testing and Disinfecting Water Mains (Section 25)

Accepted revisions and updates to the District’s technical specifications in Section 12 (Water Mains) and Section 25 (Testing Disinfecting Water Mains). M/S/C, Drew/Miller, unanimously approved

2016A REVENUE BOND SERIES ISSUANCE (NID Resolution No. 2016-09 and NID JPA Resolution No. 2016-01)

Marvin Davis, Finance Manager/Treasurer, stated that the Staff Report provides detailed information about the bond issuance, and the attachments have been tabbed for the Directors to easily reference.

Robert Porr, Senior Vice-President of Feldman, Rolapp and Associates, provided the following presentation:

OVERVIEW OF 2016A ISSUANCE

- New money financing issued through Joint Powers Authority
 - Allows NID to offer revenue bonds rather than Certificates of Participation (COPs)
 - Revenue bonds are favored over COPs by many investors and can result in lower interest expense
 - Proceeds will pay for:
 - Capital Improvements
 - Costs of Issuance
 - No funding of Debt Service Reserve needed due to strong ratings of NID
- Rating presentation provided to S&P on March 8, 2016
- Bonds will be competitively bid out

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- Stradling, Yocca, et al is Bond Counsel
- Fieldman, Rolapp & Associates is Financial Advisor

OVERVIEW OF CAPITAL IMPROVEMENTS

- Combie Phase I Canal and Bear River Siphon Project:
 - Replacement of existing concrete canal with single pipeline (9,100 linear feet of welded steel pipe) within the existing Canal and replacement of aerial siphon spanning the Bear River
 - Estimated cost of ~\$20 million
- Centennial Reservoir Project:
 - Environmental review, design, consulting, permitting and preliminary engineering costs associated with proposed construction of an 110,000 acre-foot storage reservoir
 - Estimated cost of ~\$3.2 million
- Acquisition of Land for Mitigation:
 - Acquisition of land and interests in land for mitigation of various District projects
 - Estimated cost of ~\$1.3 million

OVERVIEW OF BOND'S STRUCTURE

- Fifteen Year Bond Issue
 - Final maturity is 2031
 - Reduces overall interest expense
 - Total debt service cost for 15-year issue saves approximately \$9.2 million versus thirty year bond issue, and approximately \$5.7 million versus 25-year issue
 - Based on market conditions as of March 15, 2016, funding \$24.5 million of capital projects, and estimated costs of \$368,062
 - The estimated True Interest Cost (TIC) is 2.57% and total debt service cost is \$30.5 million
- Principal maturing each year starting March 2017
 - Debt service payments of 2016 Bonds designed to result in level debt service payments when added to existing debt (2011 Revenue Bonds and California Department of Public Health Loan)

SOURCES AND USES OF FUNDS

- Preliminary sizing reflects issuance of \$24.5 million for capital projects and approximately \$368,062 for costs
- Investors prefer premium bonds in this low interest rate environment

SOURCES*	REVENUE BONDS, SERIES 2016A
Par Amount	\$20,475,000
Premium	\$ 4,393,062
Total Sources	\$24,868,062

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USES*	REVENUE BONDS, SERIES 2016A
Project Fund	\$24,500,000
Underwriter's Discount	\$ 204,750
Bond Counsel	\$ 60,000
Financial Advisor	\$ 59,500
Credit Rating	\$ 20,500
Trustee	\$ 5,000
Printing of OS / POS	\$ 5,000
Miscellaneous / Contingency	\$ 13,312
Total Uses	\$24,868,062

*Preliminary; subject to change. Based on market conditions as of March 15, 2016.

KEY CONVENANTS

- Rate Covenant of 125%
 - NID will annually charge rates to provide for sufficient money such that after payment of all operations and maintenance expenses, NID will have \$1.25 for each dollar of debt service
- No Bond Reserve Fund for 2016A Bonds
 - Funding a reserve fund would increase the borrowing amount by approximately \$2.1 million and increase the gross interest expense by approximately \$900,000

FINANCING SCHEDULE

FINANCING DATE	DESCRIPTION
Tuesday, March 8, 2016	Rating Agency Presentation
Tuesday, March 22, 2016	Receive Credit Ratings
Wednesday, March 23, 2016	Board Meeting - Approve Financing and Legal Documents
Thursday, March 24, 2016	Post POS
+/-Wednesday, April 6, 2016	Competitive Bond Sale
Wednesday, April 20, 2016	Closing

Doug Brown, Bond Counsel with Stradling, Yocca et al, provided the following information on the bond documents necessary for the issuance:

AUTHORITY RESOLUTION OF ISSUANCE

- Resolution of the Board of Directors of the Authority approving the issuance of the Bonds by the Authority
- Sets a maximum principal amount and maximum interest rate for the financing
- Approves the forms of the Indenture of Trust, Preliminary Official Statement, the Continuing Disclosure Certificate, the Notice of Intention to Sell Securities, Notice of Sale and the Authority's Disclosure Policies and Procedures

DISTRICT RESOLUTION OF ISSUANCE

- Resolution of the Board of Directors of the District approving the issuance of the Bonds by the Authority

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- Sets a maximum principal amount and maximum interest rate for the financing
- Approves the forms of the Installment Purchase Agreement, Continuing Disclosure Certificate, Preliminary Official Statement and the District's Disclosure Policies and Procedures

PRELIMINARY OFFICIAL STATEMENT (Including Appendix A)

- Offering document for the Bonds which describes:
 - The Authority
 - The District's operations
 - Overall financial condition, and
 - All other material information necessary for potential investors to make an informed decision with respect to the purchase of the Bonds

INSTALLMENT PURCHASE AGREEMENT

- Agreement between the Authority and the District pursuant to which the Authority sells the project (which will be constructed by the District on behalf of the Authority) to the District in return for the purchase price to be repaid by the District in installment payments
- The installment payments secure the repayment of the Bonds
- The Installment Purchase Agreement includes a rate covenant, an additional debt test and other financial covenants

INDENTURE OF TRUST

- Agreement between the Authority and US Bank National Association, as Trustee
- Sets forth the principal amount of and interest rate on the Bonds, prepayment provisions and other administrative provisions relating to the holding and investing of money

CONTINUING DISCLOSURE AGREEMENT

- Document pursuant to which the District agrees to provide certain updated financial information and event notices with respect to the Bonds to the municipal market as required by federal securities laws

NID AND JPA DISCLOSURE POLICIES AND PROCEDURES

- Memorializes the steps that District and Authority staff will take to prepare preliminary official statements and to ensure ongoing compliance with continuing disclosure obligations, such as the Continuing Disclosure Certificate

NOTICE OF INTENT TO SELL BONDS AND OFFICIAL NOTICE OF SALE

- Notice of Intent to Sell
 - Document which sets forth the terms and timing of the sale of the Bonds to potential underwriters and invites such underwriters to bid on the purchase of the Bonds

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- Official Notice of Sale
 - Document which sets forth terms and conditions by which the Authority will accept competitive bids for the purchase of the Bonds and provides an overview of the Authority, the transaction and the credit features of the Bonds

Mr. Porr reviewed the credit presentation provided to Standard & Poors:

HIGHLIGHTS OF CREDIT PRESENTATION

Supply and Facilities Overview:

- Water supplies consist of snowpack from upper reaches of Middle and South Yuba River, and the Bear River, Deer Creek, and other tributaries
- District maintains ten reservoirs with maximum capacity of 280,380 acre feet
 - Current level in reservoirs: 201,481 acre feet
- 475 miles of canals transport and deliver water
- Seven treatment plants provide treated water (41.7 million gallons per day)
- Raw water is delivered to golf courses (5%), outdoor domestic purposes (27%), and agricultural uses (68%)

Reservoir Storage:

- As of February 25, 2016: Storage = 201,481 acre feet which is 118% of average and 77% of capacity

FINANCIAL MANAGEMENT, RESULTS AND OUTLOOK

Compensation Management:

- In Fiscal Year 2014 and 2015, the District funded 100% of the annual pension costs for CalPERS in the amount of \$2,676,564 and \$3,075,314, respectively
- Other-Post Employment Benefits provisions are established and approved by the Board
- Required contributions are based on projected pay-go financing requirements with prefund benefits determined annually by the Board
 - In Fiscal Year 2014, the District contributed \$2,973,000 to its post-retirement health care plan – approximately 133.2% of the ARC – Asset value exceeded liability
 - In Fiscal Year 2015, based on unaudited actual results, the District contributed \$2,096,499 to its post-retirement health care plan – approximately 93.38% of the ARC
 - For Fiscal Year 2016, the District plans to fund the entire ARC and has budgeted \$2,235,126 for post-employment benefits

Financial Policies:

- Agricultural Water Management Plan: last updated in 2015; next update 2020
- Reserve Policy – subject to annual review (Balances as of December 31, 2015):
 - Raw Water System Expansion: \$2 million minimum target; current balance ~\$2 million
 - Treated Water System Expansion (capacity fees): current balance ~\$7 million
 - Rates Stabilization Fund: “funding as needed”; current balance ~\$2 million

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- Capital / R&R: funded from property taxes; current balance \$5 million
- Insurance and Catastrophic: \$5 million minimum, \$10 million maximum; current balance ~\$7.5 million
- Watershed Stewardship: \$500,000 minimum balance; current balance ~\$2.2 million
- Working Capital (balance after filling other reserves): current balance ~\$40.5 million (includes operating cash and operating reserve: minimum balance = 6 months of budgeted O&M)
- Investment Policy:
 - Practices safety, liquidity and yield criteria for selecting investments under the Government Code
 - Report given to Board at least once each quarter within 45 days after reporting period

Total Cash and Investments:

- Total Water Reserves: \$43,555,220 (includes ~\$7 million of restricted capacity fees for the Treated Water System Expansion Reserve)
- Total Hydroelectric Reserves: \$25,079,884

Fiscal Year 2014 Data:

- Treated Water Sales = ~24% of Revenues
- Raw Water Sales = 10% of Revenues
- Hydroelectric = 41% of Revenues
- Property Taxes = ~19% of Revenues

Future Capital Improvement Program Update:

- Water Improvements:
 - Approximately \$56 million in capital improvements over the next five years (pay go expenses)
 - Includes acquisition of raw water pipeline for deliveries from Lake Combie
 - Expected to be entirely paid from existing cash, grants and future Net Revenues

Rem Scherzinger, General Manager, stated that the Administrative Practices Committee requested that the Competitive Bidding be displayed on the screen in the Board Room on April 6. He noted that the event will happen rather quickly.

Adopted NID Resolution No. 2016-09 (Authorizing the Execution and Delivery of an Installment Purchase Agreement), and authorized the General Manager to execute the necessary documents. M/S/C Drew/Wilcox, unanimously approved

Adopted NID Joint Powers Authority Resolution No. 2016-01 (Authorizing the Issuance of Revenue Bonds), and authorized the Executive Director to execute the necessary documents. M/S/C Drew/Wilcox, unanimously approved

Mr. Scherzinger thanked the Board for adopting these Resolutions, and Staff's efforts regarding this matter.

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CENTENNIAL RESERVOIR PROJECT – Budget Status

Doug Roderick, Senior Engineer, provided the Board with a budget status for the Centennial Reservoir Project:

BREAKDOWN OF COSTS SPENT TO DATE:

Category	Amount Spent thru 2015	Amount Spent to Date (thru 3/15/16)	Amount Spent to Date in 2016	Contract Amount to Date	Remaining Amount
Staff (including benefits)	\$ 279,870.36	\$ 306,918.64	\$ 27,048.28	N/A	N/A
Legal Services	\$ 38,572.28	\$ 38,572.28	\$ -	N/A	N/A
Property Acquisition (including property purchase)	\$ 1,896,204.44	\$ 2,081,081.29	\$ 184,876.85	N/A	N/A
Water Rights	\$ 504,357.69	\$ 504,357.69	\$ -	N/A	N/A
LIDAR/Survey (ECORP)	\$ 57,600.00	\$ 57,600.00	\$ -	\$ 57,600.00	\$ -
Hydrology/Modeling/Hydro Analysis (HDR)	\$ 84,629.24	\$ 85,029.35	\$ 400.11	\$ 101,098.00	\$ 16,068.65
Environmental (CEQA/NEPA) (HDR)	\$ 63,279.34	\$ 63,279.34	\$ -	\$ 1,159,847.00	\$ 1,096,567.66
Preliminary Geotechnical Investigation (AECOM)	\$ 548,926.12	\$ 556,798.62	\$ 7,872.50	\$ 639,180.00	\$ 82,381.38
Public Outreach (includes web design/operation) (Perry Comm)	\$ 128,767.51	\$ 133,767.51	\$ 5,000.00	\$ 196,200.00	\$ 62,432.49

Total: \$ 3,602,206.98 \$ 3,827,404.72 \$ 225,197.74 \$ 2,153,925.00 \$ 1,257,450.18

Note: Contract amount includes proposal/scope costs. Some contracts have only been issued task orders for a portion of the work.

BREAKDOWN OF EXPECTED EXPENDITURES FOR 2016:

Category	Anticipated Costs
Phase III of geotechnical investigation, prelim design, construction cost estimate and feasibility	\$ 1,600,000.00
CEQA Environmental Work including field investigation and development of draft EIR	\$ 900,000.00
NEPA Environmental Work including field investigation, 404 permit application, development of NOI and third party consultant	\$ 700,000.00
Public Outreach	\$ 100,000.00
Property Acquisition	\$ 1,200,000.00

Total: \$ 4,500,000.00

Mr. Roderick noted that the District has purchased 16 parcels to date. Discussion ensued regarding the total number of properties that will be impacted by the proposed Project. Approximately 140 parcels are affected (positively or negatively) by the Project, which excludes the Bureau of Land Management (BLM) parcels.

Mr. Roderick stated that \$4.5 million is budgeted for the Project in 2016; in 2015, \$1 million was budgeted for consulting and approximately \$921,000 was spent.

When President Weber asked for public comment on this item, Matthew Colter stated that he feels compelled to comment, because he attended the two scoping meetings for the Centennial Reservoir Project. There were standing room only audiences, and the facility was not large enough for the first meeting. He estimated that nine out of ten attendees were against the Project. It appears to him that the District is spending a great deal of money that will not be utilized. He thinks that the District will “get fights” from all different areas for building a dam. In California, dams are being torn down. It seems like the District is going backwards with this Project. He understands that it will provide a number of jobs, but at the same time, from the public response he observed at the two meetings he attended, the Project is a non-winner.

Director Wilcox stated that the public relations firm that the District has retained has conducted a public polling regarding the Project. He asked for the results of that poll.

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Rem Scherzinger, General Manager, stated that 83.7 percent of those polled are in favor of the Project.

Director Wilcox pointed out that the attendees at the two scoping meetings were not representative of the polled public.

SURPLUS WATER – 2016

Sue Sindt, Water Resources Superintendent, provided the following information regarding the District's water supply conditions:

Reservoir Storage as of March 20, 2016:

- 239,420 Acre Feet which is 134 percent of average and 90 percent of capacity

Bowman Lake Precipitation:

- 69.34 inches which is 127 percent of average

March 1 Snow Survey Results (Water Content in Inches):

	Bowman Lake	Findley Peak	English Mountain	Webber Peak	Webber Lake
2016	17.8	24.8	32	30.7	26.1
Average	19.1	26.5	36.4	31.9	26.9

The average for the five courses is 26.3 inches of water content which is 93 percent of the March 1 average of 28.2 inches.

Department of Water Resources – Water Supply Forecast:

Yuba River at Smartsville	Mar 1	%Avg	Mar 8	%Avg	Mar 15	%Avg
90% Exceedance	390	39%	510	51%	690	69%
50% Exceedance	750	75%	850	85%	1,010	101%
10% Exceedance	1,320	33%	1,360	137%	1,500	151%

Status:

- April 1 availability > 235,700 acre feet (normal operations)
- Carryover storage estimated at 165,000 acre feet (110 percent of average)
- Available PG&E water 20,000 to 25,000 acre feet
- Hydro generation potential
- Recreation – reservoirs will maintain good elevations throughout the season

Ms. Sindt compared the Drought Monitor for the years 2014, 2015 and 2016. She noted that year 2016 is very similar to 2014.

Chip Close, Operations Manager, stated that by declaring surplus water, the District will be able to provide water to outside District customers (i.e. City of Grass Valley, City of Nevada City, exclusion areas, etc.). He provided the following information:

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Surplus Water:

- Per District Rules and Regulations and California Water Code, declaration of surplus water is necessary to provide water to outside District customers
- Surplus analysis is to take place by April 1
- Current District supply conditions are at Normal Operational levels and warrant declaration

Declared surplus water available for 2016. M/S/C Miller/Drew, unanimously approved.

RESCIND RESOLUTION NO. 2015-08 (DECLARATION OF DROUGHT) AND REQUEST FOR 4% CONSERVATION TIER

Chip Close, Operations Manager, provided information on statewide water conditions:

Statewide Conditions:

- Reservoir conditions in the Sacramento watershed are above average
- Reservoir conditions in San Joaquin and Southern California continue to lag
- Governor extended drought declaration to October 2016
- State Water Resources Control Board to revisit conditions in March and April

Reservoir Conditions:

- Shasta Reservoir = 110% of average
- Lake Oroville = 111% of average
- Folsom Lake = 108% of average
- Don Pedro Reservoir = 79% average
- New Melones = 39% of average

State Board Actions:

- The Emergency Drought Regulation was extended on February 2, 2016
 - Regulation to remain in effect for 270 days (October 2016); can be rescinded or extended as conditions warrant
 - End user requirements remain the same including mandatory treated water conservation
 - Updated regulation included credits for climate, growth and development of new supplies
 - District received 3% reduction for climate and growth; now at 33% reduction target for potable water
 - Regulation includes a provision for a 4% treated water reduction tier
 - Criteria – supplier supply source does not include groundwater or water imported from outside the hydrologic region and supplier has a minimum of four years reserved supply
 - Request is submitted to the Executive Director of the State Water Resources Control Board for approval

Staff Recommendations:

- District supply conditions are at Normal Operational levels
 - Rescind Resolution No. 2015-08 (Declaration of Drought)

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- Send request to State Water Resources Control Board that potable water customers be placed in the 4% tier
- Normal operations for the agriculture customers
- Purchase PG&E water as needed
- Revisit after State Board makes final declarations in April or May

Mr. Close stated that within the request to the State Board, Staff will recommend that the emergency regulations are no longer needed, especially in the local watershed. There is also a workshop on April 20, and the District will provide comment about the local water conditions no longer warranting extension of the Emergency Regulation. The hope is that a consolidated effort by multiple agencies will influence the State Board to revamp the Regulation.

Rescinded Resolution No. 2015-08 (Declaration of Drought) and authorized Staff to send request to the State Water Resources Control Board to allow the District to be placed in the four (4) percent conservation tier. M/S/C Wilcox/Miller, unanimously approved

CHICAGO PARK POWERHOUSE SWITCHBOARD AND RELAY UPGRADE – Consulting Services Contract

Adrian Schneider, Senior Engineer, stated that late last year, Staff decided to utilize a consultant to design the Chicago Park Powerhouse Switchboard and Relay Upgrade Project. Mr. Schneider has been working with Keane Sommers, Hydroelectric Manager. He pointed out that HDR performed the design work in 2012 for the Dutch Flat Powerhouse and did a great job, so HDR was asked to submit a proposal for this Project. HDR provided a thorough proposal in the amount of \$243,628. He explained that the ultimate goal is to upgrade each Powerhouse, and Chicago Park Powerhouse is the next in line.

Director Drew suggested that the Directors tour the Chicago Park Powerhouse.

Rem Scherzinger, General Manager, concurred and stated that Staff will schedule a site visit.

Approved consulting services contract with HDR, Inc. in the amount of \$243,628 for the Chicago Park Powerhouse Switchboard and Relay Upgrade Project, and authorized the General Manager to execute the necessary documents. M/S/C Miller/Drew, unanimously approved

COMMUNITY INVESTMENT PROGRAM – Update

Rem Scherzinger, General Manager, reported that when the 2015 Reserves were discussed at the last Board meeting, one of the items not included was an \$800,000 encumbrance that was approved by the Board in June 2014. These funds have been moved to the Community Investment Program.

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CENTENNIAL RESERVOIR PROJECT – Update

Rem Scherzinger, General Manager, reported that two Notice of Preparation meetings were held regarding the Project. The meetings were very well attended, and the information from these meetings is being reviewed and will be presented to the Board in the near future.

Mr. Scherzinger reported that he has provided presentations on the Project to the Meadow Vista Municipal Advisory Council and the Weimar/Applegate/Colfax Municipal Advisory Council. He will also be providing a presentation to the City Council of Colfax on March 23, 2016.

MEETINGS WITH PLACER AND NEVADA COUNTY EXECUTIVE OFFICERS

Rem Scherzinger, General Manager, reported that he has met with the Nevada and Placer County Executive Officers to discuss multiple issues, one of them being the Centennial Reservoir Project.

TOWN OF WASHINGTON – Water District

Rem Scherzinger, General Manager, reported that Nevada County Supervisor Anderson and SR Jones, Executive Director of the Nevada County Local Agency Formation Commission, have asked to meet with him regarding assisting the Town of Washington's water district.

US FOREST SERVICE – Negotiations for the Upper Division Recreation Facilities

Rem Scherzinger, General Manager, reported that he and Peggy Davidson, Recreation Manager, have completed negotiations with the US Forest Service to acquire the necessary permits to operate 13 campground facilities in the Upper Division.

ROLLINS RESERVOIR – Impacts to Watershed

Rem Scherzinger, General Manager, stated that there have been discussions about watershed impacts. He displayed four garbage bags full of 448 butane canisters that were pulled from Rollins Reservoir on March 19 by the following employees who volunteered their time for this cleanup effort:

- Gary King, Engineering Manager
- Kate Gunther, Management Assistant
- Paul Sokoloff, Water Distribution Operator
- Todd Wiederhold, Hydro Electrical Machinist

Mr. Scherzinger stated that butane is used in the making of honey oil, and the cans are flowing down out of the Greenhorn watershed. There are still hundreds of canisters in the Reservoir as well as other items. He understands that these canisters are coming from Bureau of Land Management (BLM) property, and has contacted BLM with no response. Staff will be directing the public to bring the canisters to the District rangers, and the canisters will be disposed of appropriately.

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GOLDEN OAKS HOMEOWNERS ASSOCIATION – Meeting

Director Miller reported that he attended the Golden Oaks Homeowners Association meeting to discuss the District's Backbone Extension Program and other items of interest. He noted that all of the attendees are in favor of the Centennial Reservoir Project.

COSUMNES, AMERICAN, BEAR AND YUBA (CABY) – Meeting

Director Morebeck reported that he attended the CABY meeting on March 9, 2016. He was familiarizing himself with the District's role in CABY. He would like to learn more about the history of CABY, so he can fully understand the benefits of CABY.

TOUR – Recreation Facilities

Director Morebeck reported that he participated in a tour with Rem Scherzinger, General Manager, and Peggy Davidson, Recreation Manager, of several recreation facilities. He does not think that Placer County is aware of the recreation opportunities in the region, and he is looking forward to presenting this information to various groups.

KVMR RADIO – Events

Director Wilcox reported that he participated in two events on KVMR Radio. He was interviewed as part of Alan Stahler's program (Soundings by Alan Stahler) regarding the Centennial Reservoir Project. Otis Wollan, former Placer County Water Agency Director, was interviewed following Director Wilcox. Director Wilcox never heard the finished product, but he heard that the interview represented the District well. He also participated in a Radio Town Hall Meeting – Crossing the Political Divide, which had to do with the Central Valley's ground water storage problems.

Director Morebeck pointed out that recordings of KVMR programs may be found in the station's web archives.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – Grant Opportunities

Director Wilcox reported that he and Gary King, Engineering Manager, and Neysa King, Watershed Resources Planner, attended a meeting at Nevada County to explore opportunities for CDBG funds for multiple District projects. One possible project is the upgrade of the Penn Valley system to provide adequate fire flows at all of the hydrants. The other project is a potential pipeline extension to tie the Lake Wildwood / Penn Valley service area into the greater E. George / Loma Rica service area. At this time, a survey needs to be performed in Penn Valley to ascertain whether there is a sufficiently high percentage of lower income households in the area to be served in order to qualify for the CDBG funds.

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ROLLINS RESERVOIR – Video of Water Spilling

Director Drew showed a video of water spilling at Rollins Reservoir on March 13, 2016. The amount of water spilling was very impressive (about 7,000 cfs).

SIERRA NEVADA CONSERVANCY – Watershed Improvement Program

President Weber reported that on March 3, 2016, she attended a Watershed Improvement Program hosted by the Sierra Nevada Conservancy. The Program dealt with forest management to prevent fires, store carbon and maintain a healthy watershed. She provided copies of a brochure from the event to each of the Directors. This is another opportunity for the District to protect the environment and water supply.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – Legislative Symposium

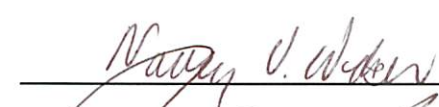
President Weber reported that on March 9, 2016, she attended ACWA's Legislative Symposium. Rem Scherzinger, General Manager, also attended. AB 2304 deals with the California Water Marketing Exchange for water transfers, exchanges, sales of water, etc. AB 1755 deals with database management for state-wide water information. The information would be used for transfers and sales. Also, there is a proposal to change the Proposition 218 structure for the ability to have conservation pricing and provide an opportunity for a life-line low income pricing structure, which is difficult to do under Proposition 218. If this change is implemented, the California Constitution will be changed which will require a 2/3 vote of the legislature.


MEETING ADJOURNED at 11:02 a.m. to reconvene in regular session on April 13, 2016, at 9:00 a.m. at the District's main office located at 1036 W. Main Street, Grass Valley, California.



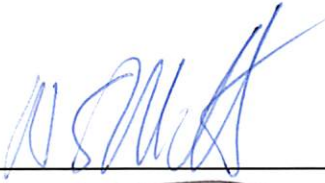
Board Secretary

Attest a true record of actions had and taken at the above and foregoing meeting our presence thereat and our consent thereto.

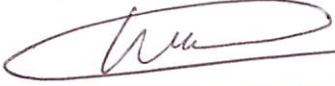
Director
Division I


Division II


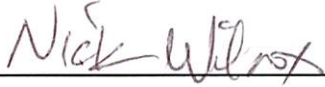
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Division III



Division IV



Division V
