

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

August 24, 2022

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 24th day of August 2022, at 9 a.m.

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

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Doug Roderick, Director of Engineering; Chip Close, Director of Water Operations; Keane Sommers, Director of Power Systems; Monica Reyes, Director of Recreation; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; Joanne Phillips, Engineering Management Assistant and Kris Stepanian, Board Secretary.

STANDING ORDERS

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

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

- None

SPECIAL ORDERS

INVESTMENT PERFORMANCE REVIEW

Jennifer Hanson, General Manager, introduced Monique Spyke with PFM Management, who provided a presentation for the quarter ending June 30, 2022.

Board discussion ensued regarding account balances and interest revenue.

Public Comment: None

CONSENT AGENDA

President Bierwagen pulled the following items from the Consent Agenda for discussion at the request of members of the Board:

- 4D - Squirrel Creek Siphon Replacement Project (Project #2624)

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Public Comment: None

Director Hull motioned for approval of the Consent Agenda, excluding Item 4D. Director Heck seconded the motion, and it was unanimously approved.

The following Consent Agenda items were approved:

MINUTES OF THE REGULAR MEETING ON JULY 27, 2022
M/S/C Hull/Heck, unanimously approved as submitted.

MINUTES OF THE SPECIAL MEETING ON AUGUST 9, 2022
M/S/C Hull/Heck, unanimously approved as submitted.

AB361 COMPLIANCE - BROWN ACT/COVID-19 TELECONFERENCE AND REMOTE MEETING REQUIREMENTS
Adopted Resolution No. 2022-47 (Re-Authorizing Remote Meetings Consistent with AB 361). M/S/C Hull/Heck, unanimously approved.

WARRANTS, PROJECT AND FACILITIES REPORT, AND INVESTMENT TRANSACTION REPORT
Ratified the issuance of warrants by receiving and filing the check registers, Project and Facility Report, and Investment Transaction Report for the period July 9 to July 22, 2022. M/S/C Hull/Heck, unanimously approved.

Items pulled from the Consent Agenda for discussion:

SQUIRREL CREEK SIPHON REPLACEMENT PROJECT (PROJECT #2624)
Doug Roderick, Director of Engineering, presented the item.

Board discussion ensued regarding accrual accounting, pipeline capacity, and the Raw Water Master Plan.

Public Comment: None

Awarded a construction contract to Hansen Bros. Enterprises for the Squirrel Creek Siphon Replacement Project in the amount of \$843,197, and authorized the General Manager to execute the appropriate documents. M/S/C Peters/Hull, unanimously approved. M/S/C Peters/Hull, unanimously approved.

GENERAL ORDERS

2021-2022 NEVADA COUNTY GRAND JURY REPORT RESPONSE
Jennifer Hanson, General Manager, presented the item.

Board discussion ensued and the following input was received pertaining to amendments to the draft response letter:

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- F1: Amend to “Partially Agree” with the finding
- F5: Amend “Disagree” with the finding
- F6: Amend to “Disagree” with the finding, and indicate the District is not in any financial risk
- F8: Amend to “Disagree”, and add language disagree and indicate that the Board did not place the District in jeopardy of a lawsuit by failing to heed the advice of District Counsel

The meeting recessed at 10:15 a.m. and reconvened at 10:25 a.m.

- F9: Amend to add stronger language to indicate the Board does not exhibit a disregard for the Brown Act
- F10: Amend response language to indicate there is not widespread dysfunction, as evident with the large amount of work done in the last year
- Discussion ensued regarding the negative title of the report and moving forward
- Recommendation 1: Amend to reflect “Accept recommendation and will be implemented”
- Recommendation 6: Add language to indicate that the District continues to comply with California’s open meeting laws.

Public Comment:

- Diane Dull, member of the public, addressed the Board regarding their reaction to the Grand Jury’s report

Director Hull made a motion to authorize the finalization of the response to the Grand Jury with edits as the Board discussed and authorize the Board President to execute the final letter for staff to submit to the Grand Jury. Director Heck seconded the motion.

Director Peters made a motion to amend the motion to bring the final edits to the next regular Board meeting on the Consent Agenda for approval. This motion died for a lack of a second.

Director Heck seconded the original motion made by Director Hull.

The motion passed on the following roll call vote:

Motion passed on the following roll call vote:

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Peters, Division 4	No
Johansen, Division 5	Aye

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NEW JOB DESCRIPTION - NETWORK ANALYST

Jennifer Hanson, General Manager, and John Ortiz, IT Administrator, presented the item.

Board input was received and Board discussion ensued regarding the need for the position, recruitment, skills needed, and cost. The item will be brought to the Board for consideration at the next regular Board meeting on the Consent Agenda.

Public Comment:

- Trevor Caulder, member of the public, offered to help with the recruiting process as he knows qualified potential candidates

WORKSHOP ON PRIVATE CONDUIT ACCOUNTS

Chip Close, Director of Water Operations, presented the item to review what a private conduit account is and discuss some of the associated challenges.

Board discussion ensued regarding providing a template and sample dispute resolution agreement, best practices, real estate disclosures, and potential solutions to avoid downstream conflicts such as those found with private conduit accounts.

Public Comment:

- Diane Dull, member of the public commented on the following:
 - o Inconsistent water issues
 - o Service outlet clarification
 - o How water is measured
 - o The map provided indicates customers who are purchasing water by APN
 - o Spoke in support of an agreement template
- Trevor Caulder, a member of the public, commented on allowing private conduits when there are fewer property owners involved, and on the value of having a template to help with the process

NEW BOARD POLICY - CAPITALIZATION

Jennifer Hanson, General Manager, presented the item.

Board discussion ensued and Board input was received regarding:

- Capitalization thresholds
- Monitoring and disposal procedures of capital assets
- Deferring to the more stricter requirements for capital assets that are federally awarded or state-funded
- Clarification of “expected use of life of at least two years” under Capital Assets in Section 3 and on the chart on the minimum useful life of five years, as shown in the chart under Capitalization Policy in Section 4

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- Changing the acronym for Construction In Progress shown as (CIP), since that acronym is used already by the District for the Capital Improvement Plan
- Tying up methodologies between Section 3 at the top of Page 2 and highlighted section in Section 4
- Expand exceptions to include supply chain issues in the last paragraph of Section 8

Public Comment: None

This item will be brought to the Board for consideration at an upcoming meeting.

GENERAL MANAGER'S REPORT

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

- South Yuba River Citizens League's annual "Bear River Clean-Up" event on September 15th, 8 am – 10 am
- NID/PCWA Water Committee on August 25th
- Presenting at a SIR's meeting (Sons in Retirement) on September 17th
- Plan for Water meeting is scheduled for September 13th at the Gold Miner's Inn at 2 pm for the third Strategic Planning Workshop
- Water Supply Update is on the website

BOARD OF DIRECTORS' ITEMS / REPORTS

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

- Met with Barbara Bashall with Nevada County Contractors' Association
- Met with Carol Young with Rincon del Rio
- Presented with Director Heck at the Democratic Women's Club

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

- Recent Oregon Coast visit
- Voiced concerns about lack of financial reporting
- Inquired about Surplus Water Sales Rules & Regulations update
- Enjoyed Strategic Planning Workshop

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

- Enjoyed participation in the Nevada County Fair opening celebration and volunteered at the Nevada County Farm Bureau booth
- Presented with Director Hull at the Democratic Women's Club
- Spoke about the importance of continuing outreach and education

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

- Attended two meetings regarding wildland fires and shared highlights
- Attending a Penn Valley Fire Department meeting tonight
- Commented on wells going dry, the need for water, water pressure issues, and water in the valley

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

- Attended the Nevada County Fair and volunteered at the Nevada County Farm Bureau booth

PUBLIC COMMENT ON ITEMS TO BE CONSIDERED IN CLOSED SESSION

-None

Dustin Cooper, District Council, announced that there would be no reportable action following closed session.

The meeting recessed at 12:15 p.m. and reconvened at 12:25 p.m. in Closed Session.

Closed Session Workshop with Legal Counsel was declared at 12:25 p.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 Sobeck et.al., United States Court for the Eastern District of California, Case No. 2:21-CV-00851
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. Case No. 20-72432, consolidated with Nos. 20- 72452, 20-72782, 20-72800, 20-72958, 20-72973
- e. 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
- f. 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
- g. Water Audit California v. Nevada Irrigation District, Third District Court of Appeal, Case No. C092877
- h. Tim Crough v. Nevada Irrigation District - Nevada Co. Superior Court: CU21-085299
- i. William Eldredge v. Nevada Irrigation District - Nevada Co. Superior Court: CU21-085391
- j. Vincent Cauchi v. Nevada Irrigation District- Placer Co. Superior Court: S-CV-0046749

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- k. Kessner, et al v. City of Santa Clara et. al - Santa Clara Co. Superior Court:
20CV364054
- l. Marvin Davis v. Nevada Irrigation District - Nevada Co. Superior Court:
CU0000073

Board Action: None

Closed Session Conference with Legal Counsel – Anticipated Litigation was declared at 12:25 p.m., pursuant to Government Code § 54956.9(d)(2) or (d)(3.) Significant exposure to litigation; three potential cases.

Board Action: None

MEETING ADJOURNED at 2:15 p.m., to reconvene in regular session on Wednesday, September 14, 2022, 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