

NEVADA IRRIGATION DISTRICT  
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

October 12, 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 12th day of October 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; Brian Powell, Maintenance Manager; Gary King, Engineering Manager; Peggy Davidson, Recreation Manager; Jana Kolakowski, Human Resources Manager; Dustin Cooper, District Counsel; and Lisa Francis Tassone, Board Secretary.

PUBLIC COMMENT – Curry

Mike Curry, District retiree, stated that he is between a hard place and a rock. The District is one and CalPERS is the other. He tried to deal with his concern with Staff, but he cannot get anywhere. He figured he would come to the top. CalPERS is taking \$3,500 from his pay check for the next six months. This equates to \$465 per month. When an employee worked a holiday, Staff was applying the holiday time to Mr. Curry's CalPERS time, which is illegal. CalPERS did not catch the error and the issue went on for quite some time. He wants to get this stopped and would like some help.

Rem Scherzinger, General Manager, stated that Staff will get back to Mr. Curry later today.

October 12, 2016

PUBLIC COMMENT – Kunkle

Craig Kunkle, Vice-President of Geologic and Associates, stated that his firm has watched intently of all of the good work the District is doing, and he applauds these efforts. The other reason he is here, is that he would like to hear Mr. Crough's retirement speech.

MINUTES – September 14, 2016 Regular Meeting and the September 28, 2016 Special Meeting

**Approved the minutes of the regular meeting on September 14, 2016, and the minutes of the special meeting on September 28, as submitted. M/S/C Drew/Morebeck, unanimously approved**

WARRANTS

**Approved the following warrants: All Fund Nos. 76379 through 76892, No. 74488 being void; Payroll Direct Deposit and Warrant Nos. 80440 through 80466 and V12861 through V13215, inclusive; and Wire Transfer/ACH Payment Nos. 900505 through 900546. M/S/C Drew/Morebeck, unanimously approved**

POLICY: Administrative Policies – Claims Against the District (Res. No. 2016-34)

**Adopted Resolution No. 2016-34 (Establishing Policy for Administration – Claims Against the District). M/S/C Drew/Morebeck, unanimously approved**

POLICY: Administrative Policies – (Res. No. 2016-35)

**Adopted Resolution No. 2016-35 Updating Policies for Administration – Work Apparel, Vehicle Use, Minutes of Board Meetings and Hazard Communication Program). M/S/C Drew/Morebeck, unanimously approved**

OUTDATED ADMINISTRATIVE POLICIES (Res. No. 2016-36)

**Adopted Resolution No. 2016-36 (Rescinding Outdated Administrative Policies). M/S/C Drew/Morebeck, unanimously approved**

FINANCE: NID JPA – Investment of Monies in the Local Agency Investment Fund – (Res. 2016-02)

**Adopted NID JPA Resolution No. 2016-02 (Authorizing Investment of Monies in the Local Agency Investment Fund). M/S/C Drew/Morebeck, unanimously approved**

MONTHLY INVESTMENT TRANSACTION REPORT – August and September 2016

**Received and filed Monthly Investment Transaction Report for August and September 2016. M/S/C Drew/Morebeck, unanimously approved**

EMPLOYEE RELATIONS – New Employee Introduction, Pool

Brian Powell, Maintenance Manager, introduced Randall Pool, Utility Worker I, who will be working out of the Placer Yard. Mr. Pool was a temporary employee with the District during the past six months. He was born in Grass Valley and is a graduate of Nevada Union High School. He is married and has five children. He has worked in construction for many years and has owned his own landscaping business.

The Board and Staff welcomed Mr. Pool to the District.

EMPLOYEE RELATIONS – New Employee Introduction, Rich-Swann

Brian Powell, Maintenance Manager, introduced Dale Rich-Swann, Utility Worker I who will be working out of the Grass Valley Yard. Mr. Rich-Swann was a temporary employee with the District during the past six months. He was born in Grass Valley and was home-schooled. He worked with his father who was a contractor, so Mr. Rich-Swann gained some valuable experience. He is married and has two children.

The Board and Staff welcomed Mr. Rich-Swann to the District.

EMPLOYEE RELATIONS – Crough, Retirement Presentation (Res. 2016-32)

Rem Scherzinger, General Manager recognized Tim Crough on his retirement and 12 years of service. Mr. Crough has been with the District since 2005, and he has consistently given his very best to the District. He is clearly a stalwart employee and his attention to detail has consumed him many times. He has done great service. Prior to Mr. Scherzinger's arrival, Mr. Crough was the Acting General Manager. Mr. Crough laid the foundation for Mr. Scherzinger's success. Mr. Scherzinger completely appreciates what Mr. Crough has done. Mr. Crough's attention to detail has yielded documents that are "fantastic" such as the Capacity Fee Study, the Tax Sharing Agreement with the City of Lincoln and so many other documents. He has been willing to serve the roles of Finance Manager, Human Resources Manager, etc. when there were vacancies.

Mr. Scherzinger stated that Mr. Crough is "separating" from his career as an Engineer to study law. As a sailor, Mr. Scherzinger wished him Fair Winds and Following Seas.

Mr. Crough stated that it has been a pleasure to serve the employees of the District and the Board of Directors. He thanked the Board for the opportunity. He is moving on to something that he has a passion for. He pointed out that he will not be very far.

President Weber thanked Mr. Crough for keeping the Cosumnes, American, Bear and Yuba (CABY) Regional Water Management Board going. CABY would not have made it without Mr. Crough's efforts.

Director Drew stated that Mr. Crough always demonstrated great attention to detail. And during this time he was always a gentleman, and still is.

October 12, 2016

Director Miller stated that Mr. Crough is an honest and good person. The community has benefitted greatly from Mr. Crough's service. One of his strengths is that he listens, and is sincere. He helped to transform this District for the better. Projects like Cement Hill and Rodeo Flat are successful because of Mr. Crough's efforts.

Don Bird, Safety Analyst, stated that he has had the pleasure of working with Mr. Crough for the past six years. He has been a great mentor, and he has a great demeanor. Mr. Crough has helped develop the safety culture at the District and it will be one of Mr. Crough's legacies.

Peggy Davidson, Recreation Manager, stated that the District to her is her family. Now Mr. Crough is a family member that is leaving, but hopefully not very far. Most retirees relax and travel. But Mr. Crough is going to school and starting a new career. Mr. Crough is a great man. She thanked him for all he has done for the Recreation Department. She hopes he has an amazing adventure.

Lisa Francis Tassone, Board Secretary, stated that she and Mr. Crough have worked together here at the District and at the City of Grass Valley. It has been a great ride. Mr. Crough is a man of integrity, and she has always appreciated this about him. She considers Mr. Crough a mentor of sorts as well. She will miss working with Mr. Crough, but she wishes him and Gayle the best in his "retirement."

Marvin Davis, Finance Manager, stated that when Mr. Davis came on board with the District, the Finance Department experienced some volatility. Mr. Crough was at the helm, and shocked Mr. Davis about how much he knows about financing as an Engineer. Mr. Crough was able to guide Mr. Davis into Mr. Davis' new position. Mr. Crough played a key role in the success of the Finance Department.

The Board applauded Mr. Crough for his 12 years of service. President Weber presented Mr. Crough with a Certificate of Appreciation (Res. No. 2016-32).

DUTCH FLAT NO. 2 AND CHICAGO PARK SYSTEMS – Real Property Acquisition (Res. Nos. 2016-37 and 2016-38)

Matthew Crowe, Sr. Right-of-Way Agent, stated that he is presenting information on the proposed real property acquisition for the Dutch Flat No. 2 and Chicago Park Systems Real Property Acquisition Project. There are two Resolutions for the Board to consider.

*Resolution of Necessity (RoN) Findings:*

- 1) Public interest and necessity require construction of the project.
- 2) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- 3) The property interests sought to be acquired are necessary for the project.
- 4) The offer required by Section 7267.2 of the California Government Code has been made to the owner of record of the property to be acquired.

*Project Necessity:*

- Dutch Flat No. 2 and Chicago Par (DF2-CP) Systems are part of the District's Yuba-Bear Hydroelectric Project – Federal Energy Regulatory Commission (FERC) Project No. 2266
- Yuba-Bear Project No. 2266 was approved by FERC in 1963; thereafter, the District began development of the DF2-CP Systems
- The DF2-CP Systems are necessary for District operations to convey water for hydroelectric power generation and for consumptive purposes

Mr. Crowe stated that the acquisition will take two forms: 1) fee title (facilities, conduits, reservoirs); and 2) easement (roads and spillways with permanent rights for the District to be able to conduct activities for hydroelectric generation and to deliver water for consumptive purposes).

*Stewardship Council Bear River Planning Unit:*

- Project Acquisitions affect PG&E parcels:
  - B Alarm Road (Parcels 856 and 857)
  - Stump Canyon Region (Parcel 829)
- Recommended Conservation Easement Holders:
  - Placer County Land Trust
  - Bear Yuba Land Trust
- Recommendation for PG&E to grant ownership has not occurred at this time

*Acquisition Activity Summary – B Alarm Road:*

March 2015	Appraisal site inspection; PG&E did not attend
November 4, 2015	Initial Written Offer sent to PG&E for all Project acquisitions
November 24, 2015 & January 13, 2016	Notices of Intent sent to PG&E
December 2015 to June 2016	District Staff responded to PG&E concerns
August 18, 2016	Revised Written Offer sent to PG&E
September 20, 2016	Supplemental Notice of Resolution of Necessity hearing schedule sent to PG&E
October 7, 2016	NID and PG&E meeting to review offers

Mr. Crowe stated that PG&E brought up a point that PG&E has a tunnel that runs from the Drum-Spaulling powerhouse to their Dutch Flat No. 1 powerhouse. There is an adit (access that can be used to service the tunnel) that comes into close proximity to B Alarm Road. District surveyors have located it and clarified that this adit is not conflicting with the District's acquisition. PG&E would request that this item be mapped so that PG&E can be confident when communicating with FERC that there is no conflict with PG&E's FERC boundary. Mr. Crowe stated that the District is committed to making this change.

President Weber opened the public hearing.

Christopher Gonzalez, Outside Counsel for PG&E, stated that PG&E and the District had a very constructive meeting last week. As a general rule, PG&E is unopposed to the Resolution for B Alarm Road. The only concern PG&E has is the adit and its close proximity to PG&E's FERC Project boundary. The District was asked to amend its exhibits to reflect that facility on their map to depict the location of the adit and to depict PG&E's FERC boundary.

President Weber closed the public hearing.

Director Morebeck asked why the District is going through the eminent domain process if PG&E is unopposed.

Mr. Crowe explained that the process to acquire property from PG&E includes several players. PG&E has standard easement documents that have been approved by the California Public Utilities Commission. Review will also be done by the Stewardship Council. The process can take up to 18 months.

Director Wilcox asked if the Board can adopt Resolution No. 2016-37 under the condition that the changes to the exhibit are made in accordance to PG&E's wishes.

Dustin Cooper, District Counsel, stated that the Board can adopt the Resolution as presented with an amendment made to one of the exhibits.

**Adopted Resolution No. 2016-37 (Declaring Necessity and Authorizing Eminent Domain Proceedings for the Acquisition of Real Property for a Public Project Known as the Dutch Flat No. 2 and Chicago Park Systems Real Property Acquisition Project, on Nevada County Assessor's Parcel No. 65-110-06 and Placer County Assessor's Parcel No. 062-240-006, owned by Pacific Gas & Electric Company, a California Corporation), as amended to depict location of PG&E's FERC boundary and adit as not a part of the District's acquisition. M/S/C Wilcox/Drew, unanimously approved**

Mr. Crowe presented information on the Stump Canyon Region. PG&E's parcel is along the Bear River and the District is seeking acquisitions within this parcel for the following facilities:

- DF No. 2 Conduit – Segment 1
- Stump Canyon Spillway
- Stump Canyon Siphon Low Level Valve Access Road
- DF Afterbay – Flooding Area 1

*Acquisition Activity Summary – Stump Canyon Region:*

March 2015	Appraisal site inspection; PG&E did not attend
------------	--

October 12, 2016

November 4, 2015	Initial Written Offer sent to PG&E for all Project acquisitions
November 24, 2015 & January 13, 2016	Notices of Intent sent to PG&E
December 2015 to June 2016	District Staff responded to PG&E concerns
August 18, 2016	Revised Written Offer sent to PG&E
September 20, 2016	Supplemental Notice of Resolution of Necessity hearing schedule sent to PG&E
October 7, 2016	NID and PG&E meeting to review offers

Mr. Crowe stated that PG&E's concern is that PG&E would like to retain the right to flow water in the Bear River. Mr. Crowe believes that the District is not in any position to prevent this from occurring. Other than the one concern, PG&E has no opposition to this Resolution for the Stump Canyon Region.

Director Wilcox asked if the District needs to formally acknowledge that PG&E wants to flow water in the Bear River.

Rem Scherzinger, General Manager, stated that the District does not need to formally acknowledge this because that is outside of the action that the Board is considering at this time.

President Weber opened the public hearing.

Christopher Gonzalez, Outside Counsel for PG&E, stated that there are four main areas that the District is seeking to acquire. PG&E is unopposed to the acquisition of the Stump Canyon Spillway. PG&E is generally unopposed to the acquisition of the Stump Canyon Siphon Low Level Valve Access Road non-exclusive road easements. PG&E and the District at their meeting last week agreed to incorporate language about road maintenance. Basically the road is maintained suitable to what each agency's needs are. PG&E would like the language to be a part of the easement document whether it is a revised Resolution of Necessity or an agreement that is revised and agreed upon.

Director Miller asked if the road washes out, who would make the repairs.

Mr. Gonzales stated that it would depend on who needed to use the road next.

Mr. Gonzales stated that PG&E does want to continue the right to flow water into the Dutch Flat No. 2 Afterbay. Because the District wants to acquire this in fee title, PG&E would like the retained right to be made in writing. The District has an easement for the Dutch Flat Conduit, and he would like to preserve PG&E's objections if nothing can be worked out at a later time. PG&E believes that the District's current easement rights are suitable to satisfy District needs. That said,

October 12, 2016

PG&E is generally unopposed to this acquisition, presuming the other concerns are worked out. Mr. Gonzalez lodged PG&E's objections in writing with the Board Secretary.

Mr. Gonzales made an additional comment about the road. PG&E and the District have had a history of cooperation with regard to road maintenance issues in the past. This would be no different. If the road were to wash out the parties would come together to work something out.

President Weber closed the public hearing.

**Adopted Resolution No. 2016-38 (Declaring Necessity and Authorizing Eminent Domain Proceedings for the Acquisition of Real Property for a Public Project Known as the Dutch Flat No. 2 and Chicago Park Systems Real Property Acquisition Project, on Nevada County Assessor Parcel Nos. 65-120-20, 65-220-11 and 65-220-13, and Placer County Assessor's Parcel No. 062-020-005, owned by Pacific Gas & Electric Company, a California Corporation). M/S/C Drew/Wilcox, unanimously approved**

Meeting recessed at 10:00 a.m. and reconvened at 10:05 a.m.

#### CENTENNIAL RESERVOIR PROJECT – Dog Bar Road Realignment Study

Gary King, Engineering Manager, stated that this item is for informational purposes only. This Study will fall under the Transportation and Traffic section of the District's Environmental Impact Report for the Centennial Reservoir Project. The Study will be posted to the Project's website at <http://www.centennialreservoir.org/>. On October 4, 2016, the Engineering Committee met in the evening to discuss the Study. Staff's goal is to provide information early on regarding the bridge, due to the angst surrounding this issue.

Jim Foster, Project Manager with Quincy Engineering, Inc., provided the following information:

##### *Dog Bar Road Realignment Study:*

- Critical link across river and to I-80
- Reservoir inundation of existing bridge
- Purpose of the Dog Bar Road Realignment Study
  - Define the realignment corridor for the Environmental Document Project Description and Studies

##### *Approach:*

- Aerial Survey Mapping
- Design Criteria



October 12, 2016

- Preliminary Alignments
- Field Investigation
- Environmental Review Meeting
- Alternative Refinement
- Counties Informational Meeting
- NID Engineering Committee Meeting

Carl Gibson, Roadway Project Engineer with Quincy Engineering, Inc. provided the following information:

*General Roadway Design Criteria:*

- Based on AASHTO, Counties and Caltrans Standards
- Design Speed = 35 mph
- Maximum Grade = 10 percent
- 12-foot Lane Widths; 5-foot Shoulder

Max Katt, Bridge Designer with Quincy Engineering, Inc. provided the following information:

*General Bridge Design Parameters:*

- Based on AASHTO, Caltrans LRFD and Seismic Design Criteria
- Maximum Grade = 4.5 percent
- 12-foot Lane Widths, 5-foot Shoulders, and 6-foot Sidewalk (south side only)
- Scenic Rail Accommodations

*Bridge Types:*

- Steel Plate Girder – Launched and Temporary Support
- Cantilever Cable Stay
- Deck Truss
- Concrete Deck Arch
- Arch Suspension – Concrete or Steel Thrust Arch
- Two Tower Cable Stay
- Conventional Suspension
- **Concrete Box Girder – Segmental and Cast-in-Place (Preferred Type for the Dog Bar Bridge)**

*Cast-in-Place Segmental – Cantilever:*

- Span Length 300 to 800 feet
- Typical Segment Length 16 feet
- Non-Linear Construction
- Minimal Crane Capacity
- Composite Crew – Efficiency
- Typical Cycle Time – 5 days

Mr. Gibson provided the following information:

*Alternative Locations for the Bridge:*

- Upper Reservoir
- Middle Reservoir

- Lower Reservoir
- Downstream Dam

Mr. Gibson provided more detail for each of the alternatives.

*Cost Estimates:*

- Planning Level Construction Cost Estimate (does not include Right-of-Way Costs)
- 30 percent Contingencies; 10 percent Mobilization
- Upper Reservoir Total Cost                   \$64,600,000
- Middle Reservoir Total Cost                 \$59,700,000
- Lower Reservoir Total Cost                 \$54,100,000
- Downstream Dam Total Cost                 \$45,300,000

Mr. Foster provided the following information:

*Alternative Comparison:*

- Performance Methodology:
  - Define the major performance criteria
  - Determine the relative importance of the criteria
  - Establish the performance “baseline”
  - Evaluate the performance of each alternative
  - Compare the performance ratings and determine overall value of each alternative

*Performance Criteria:*

Criterion	Share	Comment
Right of Way Impacts	25%	Minimize right of way acquisition – especially full takes
Travel Time	20%	Do not increase travel time across the river canyon
Recreational Benefit	10%	Provide areas for recreational use
Environmental Fatal Flaws	10%	Avoid significant environmental impacts
Constructability	15%	Minimize excavation and steep hillside construction
Maintain Traffic During Construction	10%	Allow traffic to cross river during construction activities
Aesthetics	5%	Provide scenic facility for both vehicle and lake travelers
Canal / Utility Impacts	5%	Avoid impacts to Irrigation Canal and Utilities

*Alternatives Comparison – Travel Time Scoring:*

Crossing	Higgins Corner Trip (min) to I-80		
	Existing	Proposed	Delta
Upper	16.3	12.5	-3.8
Middle	16.3	10.4	-5.9
Lower	16.3	9.1	-7.2
Dam	16.3	11.9	-4.5

Crossing	La Barr Meadows Trip (min) to I-80		
	Existing	Proposed	Delta
Upper	11.5	7.7	-3.8
Middle	11.5	10.9	-0.6
Lower	11.5	9.6	-1.9
Dam	11.5	16.7	5.1

*Alternatives Comparison – Value Index:*

Crossing	Performance Score	Cost	Value Index Score
Upper	455	\$64.6 million	7.04
Middle	635	\$59.7 million	10.64
Lower	755	\$54.1 million	13.96
Dam	390	\$45.3 million	8.61

Marla Westlake, property owner on the Placer County side of the bridge, expressed concern about a blind curve on Placer Hills Road which is near the proposed road coming from the bridge. It is one of the most dangerous places on Placer Hills Road. This needs to be addressed. Ms. Westlake also wants to know who on the Nevada County side of the bridge uses Dog Bar Road to go to Weimar. She stated that there is a better way to get to I-80 than using Weimar Cross Road and that would be to direct traffic to Meadow Vista (Placer Hills Road).

Michael Westlake, property owner on the Placer County side of the bridge, referenced the Downstream Dam Crossing. He stated that a new road is being proposed. He asked why Combie Road would not be used. There would be no impacts to property owners if Combie Road was used.

Summer Westlake, property owner on the Placer County side of the bridge, asked how much traffic the District anticipates coming through Weimar. She stated that there is a great deal of traffic traveling to and from Weimar Hills School and Colfax High School. There are too many blind curves. She asked if traffic will be increased.

Mr. Foster stated that there is a traffic study being conducted by another consultant.

Michael Westlake asked if Combie Road was considered in Quincy Engineering's analysis.

Rem Scherzinger, General Manager, stated that Placer County staff requested that the District maintain the existing traffic pattern to the extent possible. This means that the focus will be where Dog Bar meets Placer Hills Road.

Tim Carsen, property owner on the Placer County side of the bridge, stated that he did not see an analysis to put the road on top of the dam.

Mr. Scherzinger stated that the Department of Safety of Dams will not allow placing a road on top of a dam.

Mr. Carsen asked if this is a new law because he knows of several dams with roads on them.

Mr. Scherzinger stated that these dams will be changed given the country's heightened state of awareness.

October 12, 2016

Karen Hall, member of the public, asked about the Lower Reservoir option. It shows a great deal of District land around that Reservoir option. She asked when the land was acquired.

Mr. Scherzinger stated that the land was acquired in 1927.

Ms. Hall asked what the value of the land was at the time.

Mr. Scherzinger stated that this information is unknown.

Ms. Hall requested that in the traffic study there should be a thorough analysis of how traffic patterns and driving patterns change with the dam crossing and access to I-80 for residents particularly of Nevada County.

Director Wilcox noted that the traffic study is an integral part of the process and will be included in the Environmental Impact Report.

**Received and filed Dog Bar Road Realignment Study pertaining to the Centennial Reservoir Project. M/S/C Morebeck/Drew, unanimously approved**

JOB DESCRIPTION – Dispatcher

Chip Close, Operations Manager, presented a recommendation from the Administrative Practices Committee to approve the formation of a new job description for the Dispatcher position and to eliminate one Operations Technician position. The Customer Service section and Cashiering section were recently transferred to the Operations Department. Mr. Close took this opportunity to evaluate avenues for efficiencies. The Operations Technician position has been understaffed by one, which was done purposely to see what the need was for a full staff. He discovered that the Operations Technicians were spending a great deal of time at the dispatch desk and not enough time in the field to accomplish their work. He would like to eliminate the vacant Operations Technician position and replace this position with a Dispatcher position. This would help provide a uniform customer service message. The formation of the Dispatcher position and the elimination of the Operations Technician position will save the District money, because the Operations Technician is paid at a higher level than the Dispatcher position (approximately \$10,000). The new job description has been reviewed by the labor bargaining group.

**Approved the elimination of a vacant Operations Technician position in lieu of the formation of a Dispatcher position. M/S/C Miller/Drew unanimously approved**

MARANATHA PLACE – District Financed Waterline Extension Project

Shannon Wood, Business Services Technician, presented a recommendation from the Administrative Practices Committee to encumber funds for the Maranatha Place District Financed Waterline Extension (DFWLE) Project. Linda Fisher is the project representative and has been in contact with the District since 2000 to get treated water to this area. In 2003, the District responded to an inquiry about the formation of an

October 12, 2016

Improvement District. It involved a much larger area (52 parcels). A cost estimate was done, and there was no traction. This was revisited in 2007 and the cost estimate was updated. Again, there was no traction. Since then, there have been changes to policy and new programs established. Ms. Fisher continued to communicate with the District. In 2013, she asked about the District's Financed Waterline Extension program. After reviewing the potential project, an area was mapped, and she obtained signatures and submitted a petition to the District in September 2014. The matter was presented to the Engineering Committee in November 2014, and the group was officially recognized. She presented information to the Administrative Practices Committee in October 2016, and indicated that there was a slight modification to the alignment of the Project. The Project would include 3,000 feet of 8-inch pipe with three fire hydrants. There would be 23 parcels that could be served, and 14 parcels would be the 60 percent minimum participation. After the kick-off meeting is held with the group, she will be able to determine if the group meets the 60 percent criteria.

Ms. Wood stated that there are four vacant parcels within the Project area. This is below the maximum target of 20 percent. She noted that there are three occurrences of duplicate ownership in this area. One property owner owns two parcels, and two property owners own three parcels. Two parcels in the Project area are required to purchase bottled water as part of the constructed conveyance agreement.

This area, including Maranatha Place was part of a regional flow study conducted by ID Modeling. The study indicated that there is separate work that needs to be done; however, this work will not be part of the DFWLE Project.

The overall project cost is \$606,897; Community Investment Program funds will amount to \$23,865, and the balance is \$585,032 (Project participants cost). If the minimum amount of parcels participate in the project (14 parcels), the good faith deposit would be \$35,616. Deferred revenue would amount to \$320,488, and reimbursement to the District would be \$228,924.

Director Morebeck asked about the bottled water program.

Chip Close, Operations Manager, explained that some customers are using raw water in their homes. These customers have to prove an alternative potable supply in order to receive raw water year round. This regulation stems from the 1996 Safe Drinking Water rule. There are approximately 1,000 to 1,300 customers in this situation.

**Encumbered funds for the Maranatha Place District Financed Waterline Extension Project. M/S/C Miller/Drew, unanimously approved**

#### WATER STORAGE AND CONSERVATION – Update

Rem Scherzinger, General Manager, reported that the District has 180,237 acre feet of water in storage which is 114 percent of average and 68 percent capacity. Last year at this time, the District was at 85 percent of average. Year to date, there has been 20 percent in water conservation. There has been publicity by the State Water Resources Control Board about how water districts are performing poorly. The Governor and the

October 12, 2016

Water Board are clearly in the process of gearing up to inflict additional conservation orders on water districts. He noted that there is good work being done by water districts.

#### NORTHERN CALIFORNIA POWER ASSOCIATION (NCPA) – Annual Conference

Rem Scherzinger, General Manager, reported that he attended the Annual NCPA Conference. He learned that some of the larger California issues include solar which is damaging the grid operation. There is also an opportunity for PacifiCorp to pull power from California and feed other states for key prices. Another topic that was discussed was grid balancing.

#### CENTENNIAL RESERVOIR PROJECT – Meeting with Teichert Construction

Rem Scherzinger, General Manager, reported that he met with the President of Teichert Construction to discuss the quarry and how the Centennial Reservoir Project will interact with this quarry. The President is very excited about the Project.

#### BOARD SECRETARY – Retirement

Rem Scherzinger, General Manager, announced that Lisa Francis Tassone, Board Secretary, has submitted her notice of retirement. Recruitment is underway for her replacement.

#### BOARD OF DIRECTORS' MEETING – October 26, 2016

Rem Scherzinger, General Manager, announced that the next Board meeting will be held on October 26, 2016 at the Mt. Pleasant Farm Bureau Hall and will begin at 9:00 a.m.

#### DIVISION IV – Activities

Director Morebeck reported that he has been walking quite a bit for the upcoming election. He has provided a presentation to the Placer County Farm Bureau and to the Board of Directors of Lincoln Crossings. He also attended the Lincoln Open Space Committee meeting. He took a trip to Yosemite recently and noticed how disastrous the beetle damage is in the area.

#### CEMENT HILL PICNIC

President Weber reported that she attended the Cement Hill picnic. There was a great appreciation for the Cement Hill Water Supply Project, and the fact that lateral roads were included in the Project as well as the main road.

CLOSED SESSION was declared at 11:28 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger and/or District Counsel regarding price and terms of payment; properties subject to negotiation are Nevada County Assessor's Parcel Nos. 27-070-41 and 27-150-04, and Placer County Assessor's Parcel No. 071-090-063.

October 12, 2016

CLOSED SESSION was declared at 11:28 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger and/or District Counsel regarding price and terms of payment; properties subject to negotiation are Placer County Assessor's Parcel Nos. 063-330-018, 063-330-19 and 063-330-020.

MEETING RECONVENED in regular session at 12:01 p.m.

MEETING ADJOURNED at 12:01 p.m. to reconvene in regular session on October 26, 2016, at 9:00 a.m. at the Mt. Pleasant Farm Bureau Hall located at 3333 Mt. Pleasant Road, Lincoln, 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

---

Division III

---

Division IV

---

Division V

---