

Staff Report

for the Special Board of Directors' Meeting of January 13, 2021

TO: Board of Directors
FROM: Greg Jones, Interim General Manager, MBA
DATE: January 6, 2021
SUBJECT: Nevada County Relief Fund

GJ

ADMINISTRATION

RECOMMENDATION:

Receive an update on the Nevada County Relief Fund request for financial support, authorize a one-time waiver of Resolution #2019-24 suspending District Policy #1070, and authorize the Interim General Manager to execute appropriate documents.

BACKGROUND:

As a local response to a global crisis – a public-private partnership has raised over \$920,000 to help our region's nonprofits, small businesses, and wildfire survivors during this difficult and unprecedented time.

The County of Nevada, City of Nevada City, the Town of Truckee, and dozens of citizens have come together to support a “Small Business Winter Survival Campaign” to raise funds to support locally-owned businesses hardest hit by the pandemic. For-profit businesses, who are complying with public health guidelines to protect their customers and staff, will be eligible to apply for micro-grants up to \$5,000 that may be used for rent relief or other critical business expenses needed to stay open this winter.

The Nevada County Relief Fund is requesting \$50,000 from NID to support the Small Business Winter Survival Campaign.

In November, NID was awarded a reimbursement for legal services from the State Water Control Board in the amount of \$31,432. Thus “unrealized” revenue was unbudgeted and unexpected. Should the Board proceed in support the Nevada County Relief Fund request, staff recommends reassigning from unrestricted reserves the amount received from the Water Board settlement, rounded to \$31,000, as a gift of public funds.

Approving funds to support the Relief Fund, if authorized by the Board, will require a one-time waiver of Resolution #2019-24, enabling the suspension of District Policy #1070 – Requests by Non-Profit / Community Organizations.

Of note, NID has been a “quietly” supporting its customers during this pandemic.

NID’s Emergency Resolution #2020-08 on March 26, 2020 authorized the suspension of all customer delinquent fees, late payment penalties, return check fees, delivery notices, and disconnection/reconnect due to non-payment. Staff has estimated that NID has foregone receipt of uncollected fees and penalties during this period in the amount of \$165,000 in 2020. Further, per Governor’s Order N42-20, NID has been unable to collect on customer delinquent accounts without the penalty of water shut off. To date, there are over \$666,400 in delinquent account balances greater than 30 days, however we expect to recover a majority of these delinquent fees over time.

BUDGETARY IMPACT:

Increase in 2021’s budget account 10115-52706 (Dues, Publications & Contributions) of \$31,000 and decrease the Water Fund Operating Reserves account 34011 by the same amount.

ATTACHMENTS:

- Nevada County Relief Fund Letter dated December 17, 2020
- NID Resolution #2019-24: 2019 Amended Budget
- NID Resolution #2020-08: Declaration of Emergency COVID-19
- Governor’s Executive Order #N-42-20
- Budget Amendment Form



December 17, 2020

Greg Jones, Interim General Manager – *via email*
Nevada Irrigation District
1036 West Main Street
Grass Valley, CA 95945

Re: Support for the Nevada County Relief Fund

Dear Mr. Jones,

The old phrase “Think globally, act locally” has taken on a new meaning. The Nevada County Relief Fund is our local response to a global crisis – a public-private partnership that has raised over **\$920,000** to help our region’s nonprofits, small businesses, and wildfire survivors during this most difficult and unprecedented time.

Together, we’ve helped **25 safety-net nonprofits** increase services for our most vulnerable neighbors, from the Interfaith Food Ministry to Gold Country Senior Services. We’ve supported **79 small businesses** to stay on their feet - from restaurants to independent artists.

Now, we are asking NID to join the County of Nevada, City of Nevada City, and the Town of Truckee, and dozens of generous citizens to support our **“Small Business Winter Survival Campaign”** to raise desperately needed funds to support locally-owned businesses hardest hit by the pandemic. For-profit businesses, who are complying with public health guidelines to protect their customers and staff, will be eligible to apply for micro-grants up to \$5,000 that may be used for rent relief or other critical business expenses needed to stay open this winter.

We hope NID might consider a \$50,000 grant to help ensure dozens of local businesses make it through the winter. On December 15th, the County Board of Supervisors approved a \$100,000 “challenge grant.” Our goal is to raise at least \$250,000 between now and the end of the year. Joining with the County and other

Nevada County Relief Fund
c/o SNMH Foundation, P.O. Box 1810, Grass Valley, CA 95945

agencies to support our local economy in this way is newsworthy, and the Relief Fund will help publicize NID's support through local media and social media.

We will emerge from this crisis stronger together. Thank you for your continued support and for your love of this place and its people.

Warm regards,

The Nevada County Relief Fund Community Advisory Council

Sherry Bartolucci, Co-Chair

Leo Granucci, Co-Chair

Julie Baker

Alison Jones-Pomatto

P.S. The Nevada County Relief Fund is a community project of the Sierra Nevada Memorial Hospital Foundation, a 501c3 nonprofit organization, who is the Relief Fund's fiscal sponsor. Tax ID: 68-0005930

If you wish to donate by check, please make checks payable to:

Nevada County Relief Fund

c/o SNMH Foundation

P.O. Box 1810

Grass Valley, CA 95945

Please contact Kimberly Parker, Executive Director, at SNMH Foundation at (530) 477-9700 or kimberly.parker1@dignityhealth.org for more information.

The grant application process will be administered by the Sierra Business Council with oversight from the Relief Fund's Community Advisory Council. Applications opened December 16th and will be due January 6th. We expect to announce awards by January 15th.



RESOLUTION NO. 2019-24

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

2019 AMENDED BUDGET

WHEREAS, Nevada Irrigation District (NID) is an irrigation district formed and existing under the provisions of Division 11 of the Water Code of the State of California; and

WHEREAS, NID owns and maintains a system of reservoirs, canals, pipelines, treatment facilities, storage tanks, and related facilities to deliver treated and untreated (raw) water to NID customers in Nevada, Placer and Yuba Counties; and

WHEREAS, on December 12, 2018, the Board of Directors adopted the 2019 Budget which included the preliminary 2019 Cost of Service Rates; and

WHEREAS, on April 24, 2019, the Board of Directors adopted and approved a 5.72 percent rate increase over the next three years, which was less than the final 2019 Cost of Service recommended rates; and

WHEREAS, the Board waived Policy 3040.4.1 – Operating Reserves, which established the minimum level operating reserves to be maintained at six months of annual budgeted operating costs; and

WHEREAS, the Board requested the 2019 operating expense budget to be reduced by five percent along with a reciprocal reduction in revenues; and

WHEREAS, the acquisition of the Deer Creek Powerhouse is anticipated in 2020; additional costs not previously accounted for in the 2019 budget have been included.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Nevada Irrigation District as follows:

1. The Board of Directors hereby approves the 2019 Amended Budget.
2. District Policy Number 1070: Contributions/Donations – Requests by Non-Profit/Community Organizations for contributions, donations and sponsorships, is suspended until which time all reserve funds are appropriately funded.

3. District Policy Number 2174: Education, is suspended until which time all reserve funds are appropriately funded.
4. District Policy Number 3040.4.1: Operating Reserves, is to be modified to reflect the temporary waiver of the minimum reserve level of six months of annual budgeted operating costs; until which time all reserves are appropriately funded.
5. District Policy Number 3040.4.3: Community Investment Stabilization Reserve, is to be suspended until which time all reserves are appropriately funded.
6. District Policy Number 3040.4.4: Capital Improvement / Replacement Reserve, establish the following minimum reserve levels for the District's three Capital Improvement/Replacement funds:
 - a. Water: \$22,000,000
 - b. Recreation \$500,000
 - c. Hydroelectric \$15,000,000
 - d. FERC License \$35,000,000
7. District Policy Number 3040.4.6: Watershed Stewardship Reserve, as amended.
8. This Resolution shall take immediate effect upon its adoption.

* * * *

PASSED AND ADOPTED by the Board of Directors of Nevada Irrigation District at a special meeting duly called and held within the District on the 24th day of June 2019 by the following roll call vote:

AYES:

Directors: Heck, Peters, Miller, Wilcox

NOES:

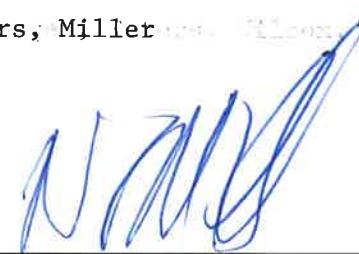
Directors: Bierwagen

ABSENT:

Directors: None

ABSTAINS:

Directors: Wilcox



President of the Board of Directors

Attest:



Secretary to the Board of Directors

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Contributions/Donations – Requests by Non-Profit / Community Organizations

POLICY NUMBER: 1070 – This policy is suspended until reserves are appropriately funded.

The purpose of this policy is to provide direction to the General Manager, the Administrative Practices Committee and the Board of Directors for handling requests for contributions and/or donations to non-profit / community organizations. It is important for the District to be involved in the various communities it serves. The District may fulfill requests for contributions to non-profit / community organizations when the organization can show their direct relationship to watershed health, water quality, agriculture or natural resources.

- 1070.1** The General Manager shall have the discretion to approve requests for contributions up to \$500.
- 1070.2** The Administrative Practices Committee shall have the discretion to approve requests for contributions between \$501 and \$2,000.
- 1070.3** The Board of Directors shall have the discretion to approve requests for contributions of \$2,001 or more.
- 1070.4** Contributions and donations are not to exceed a maximum annual amount of \$7,500.

Adopted: October 13, 2010 via Resolution No. 2010-56

Revised: July 24, 2019 via Resolution No. 2019-24



RESOLUTION NO. 2020-08

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

DECLARATION OF EMERGENCY COVID-19

WHEREAS, international, national, state and local health and governmental authorities are responding to an outbreak of respiratory disease caused by the novel coronavirus named “SARS-CoV-2” and the disease it causes has been named the “coronavirus disease 2019”, abbreviated “COVID-19”; and

WHEREAS, the Centers for Disease Control and Prevention has stated that certain populations face elevated risk and widespread transmission of COVID-19 would translate into large numbers of people needing medical care at the same time, resulting in the potential for critical infrastructure to be affected; and

WHEREAS, the widespread transmission of COVID-19 may affect the District’s rate of absenteeism and continuity of operations; and

WHEREAS, on January 31, 2020, the U.S. Department of Health and Human Services declared a public health emergency to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national emergency and that the federal government would make \$50 billion in emergency funding to assist state and local governments in preventing the spread of and addressing the effects of COVID-19; and

WHEREAS, on March 20, 2020, the Governor of the State of California adopted Executive Order N-33-20 that, among other things, “order[ed] all individuals in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors, as outlined at <https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19>”; and

WHEREAS, Nevada Irrigation District operates and maintains critical infrastructure, which includes seven water treatment plants, seven hydroelectric power plants, ten

reservoirs, over 300 miles of pipelines and 460 miles of canals to provide essential public water services to over 27,500 customers throughout the counties of Nevada, Placer and Yuba and wholesale electric generation to Pacific Gas & Electric Company and other power purchasers; and

WHEREAS, Nevada Irrigation District and its directors and employees are exempt from the limitations imposed by Executive Order N-33-20 because the District must maintain continuity of operations of federal critical infrastructure sectors, including the government facilities sector, water and wastewater systems sector, food and agriculture sector, energy sector, dams sector, and emergency services sector as outlined at <https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19>; and

WHEREAS, the emergency conditions prevailing because of the COVID-19 pandemic can potentially exceed the services, personnel, equipment, and facilities of the District and, in the absence of emergency response and action, could potentially lead to the interruption of essential public water services, affect critical water infrastructure, and/or affect the generation of hydroelectric power.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Nevada Irrigation District as follows:

1. All recitals set forth above are true, correct, and valid and are adopted herein as findings by the Board of Directors.
2. That a local emergency now exists throughout Nevada Irrigation District, and such period of local emergency shall continue for so long as conditions so warrant that designation, at the discretion of the Board of Directors.
3. As a result of the condition of local emergency, the General Manager is authorized and directed to:
 - a. Enter into contracts with neighboring agencies establishing mutual aid;
 - b. To implement the recommendations and directives of federal, state and local health officials regarding COVID-19;
 - c. Temporarily modify the terms and conditions of employment of District employees, as necessary or appropriate to implement the recommendations and directives of health officials regarding COVID-19, while also ensuring continuity of operations of District's federal critical infrastructure sectors, including water, dams, and energy;
 - d. Suspend customer turn-offs for the duration of the emergency;
 - e. Suspend all customer delinquent fees for the duration of the emergency;
 - f. Transfer \$250,000 from Hydroelectric reserves to COVID-19 Emergency Response Project (FATR #2462);
 - g. Take such further reasonable and necessary actions to locally respond to the COVID-19 pandemic and to avoid and/or mitigate interruption of essential hydroelectric power generation and public water services to the District's customers.

PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 26th day of March 2020, by the following vote:

AYES: Directors: Wilcox, Peters, Miller, Bierwagen, Heck
NOES: Directors: None
ABSENT: Directors: None
ABSTAINS: Directors: None

Rick Heck
President of the Board of Directors

Attest:

Kris Stepanian
Secretary to the Board of Directors

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-42-20

WHEREAS on March 4, 2020, I proclaimed a state of emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS it is the established policy of the State under Water Code section 106.3 that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes; and

WHEREAS to limit the spread of COVID-19 it is crucial that Californians wash their hands regularly and thoroughly; and

WHEREAS many Californians are experiencing or will experience substantial losses of income as a result of business closures, the loss of work hours or wages, or layoffs related to COVID-19, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

WHEREAS many small businesses that provide services essential to the health and well-being of Californians have experienced substantial reductions in income, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

WHEREAS the California Public Utilities Commission has directed private water utilities under its jurisdiction to implement customer service protections, including a moratorium on service disconnections, during the COVID-19 emergency; and

WHEREAS more than 100 public and private water systems have voluntarily agreed to halt disconnections as well; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with the various statutes and regulations concerning water shutoffs specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and the statutes of the State of California, and in particular, Government Code sections 8567, 8570, 8571, and 8627, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The authority of urban and community water systems, as defined in Health and Safety Code section 116902, subdivision (d), to discontinue residential service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment under Health and Safety Code sections 116908 and 116910, is suspended.
- 2) Water systems not subject to the requirements of Health and Safety Code sections 116908 and 116910 shall not discontinue residential

service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment.

- 3) Water systems shall restore any residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020.
- 4) Water systems shall not discontinue service to any business in the critical infrastructure sectors designated by the State Public Health Officer as critical to protect the health and well-being of all Californians that qualifies as a small business under 13 C.F.R. § 121.201 of the Small Business Administration's regulations.
- 5) The State Water Resources Control Board shall identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (i) to address non-payment or reduced payments, (ii) to promote and to ensure continuity of service by water systems and wastewater systems, and (iii) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress.

Nothing in this Order eliminates the obligation of water customers to pay for water service, prevents a water system from charging a customer for such service, or reduces the amount a customer already may owe to a water system.

Nothing in this Order modifies the obligations of urban and community waters systems to comply with provisions of the Water Shutoff Protection Act not specifically addressed by this Order or other applicable laws, regulations, and guidelines.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 2nd day of April 2020.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



NEVADA IRRIGATION DISTRICT

BUDGET AMENDMENT FORM

Budget
Amendment #

BA 2021 - 167

Date: 1/6/2021

To: Greg Jones, Interim General Manager

From: Department Manager(s)

Initial _____

Budget Increase: Accounts being increased. Enter positive number.

Department	Object / Account	Amount Increase
10115 Management	52706 Dues, Publications & Sponsorship	\$ 31,000

Budget Decrease: Accounts being decreased. Enter negative number.

Department	Object / Account	Amount (Decrease)

Reserve Impact: Increase = Positive, Decrease = Negative.

Division Funding	Funding Account	Increase/(Decrease)
10 Water Fund	34011 Operating Reserve	(31,000)

Explanation: Enter narrative explaining reason for amendment.

To help fund the Small Business Winter Survival Campaign

APPROVALS:

Level I:

Level II:

Level III:

Date

Signature

AGM/FM Signature

Approved/Denied