

Staff Report

for the Board Meeting of May 26, 2021

TO: Board of Directors

FROM: Chip Close, Water Operations Manager
Thor Larson, Water Resources Superintendent

DATE: May 18, 2021

SUBJECT: Budget Amendment and Purchase of PG&E Water

OPERATIONS

RECOMMENDATION:

Approve budget amendment BA 2021-174 and authorize staff to purchase PG&E contract water.

BACKGROUND:

Extremely dry and hot conditions led to the adoption of Resolution 2021-11, A Declaration of Drought, at the April 28, 2021 Board of Directors meeting. As part of the declaration, the Board directed staff to pursue a budget amendment for the purchase of PG&E contract water. The intent of the purchase is to bolster carryover storage heading into the 2022 water year.

The importance of finding additional water supplies continues to increase as drought intensifies. Staff has attached updated water supply and storage forecast slides that compare end of season carryover with, and without PG&E water. Based on the analysis, the purchase of supplemental water is necessary to ensure public health and safety supplies in the event that the 2021/2022 winter is dry.

To facilitate the purchase, Operations reached out to multiple departments for monetary assistance and received great support. The table below provides a breakdown of the funding and the projects the funds were pulled from. A more detailed description follows the table.

Department	Budget Category	2021 budget	Transfer out	Project Affected
Operations	Water Rights Fees	\$509,700	\$ 70,000	Water Rights Renewal Fees
Recreation	Capitol	\$300,000	\$200,000	Generator Scotts Flat
Engineering	Capitol	\$5,334,376	\$350,000	Alta Sierra Reservoir

The Operations Department transfer of \$70,000 is available thanks to the successful challenge and reconsideration of fees for water right renewals. Staff, with the support of legal counsel, successfully argued that the State Water Resources Control Board misclassified NID water right renewals fees and overcharged. The revised billing saved the District \$80,000 in renewal fees. The budget transfer for the purchase of water can occur without any adverse effects to other Operations projects.

The Recreation Department was able to transfer \$200,000 from the General Capitol Budget by withholding the purchase of a generator for the Scotts Flat Campground. The transfer of funds will be offset by a donation of a generator from the water division. This is possible due to the expansion of the David Way Pump Station, which will necessitate a new generator, thereby freeing up the old unit for repurpose at the Scotts Flat Campground.

The Engineering Department transferred \$350,000 from the Alta Sierra Tank Construction Project. The original design build project included a 5 million gallon (MG) reservoir. Per staff recommendation, the Board elected to downsize the tank from 5 MG to 3 MG, thus creating an overall project savings of \$450,000. The transfer of \$350,000 to Water Operations will not adversely affect the final project.

In summary, a combination of the Operations 2021 water purchase budget (\$80,000) and the budget transfers listed above, will allow for the purchase of nearly 16,000 acre feet of water from PG&E. The table below provides the timing and amounts of purchase through the summer. More water is available in October should extra funding present itself.

Month	Purchase Allotment Ac ft	Price per Ac ft	Purchase Cost	Running Purchase Cost
May	3,335	\$44.08	\$147,006.80	\$147,006.80
June	3,725	\$44.08	\$164,198.00	\$311,204.80
July	3,242	\$44.08	\$142,907.36	\$454,112.16
August	3,077	\$44.08	\$135,634.16	\$589,746.32
September	2,483	\$44.08	\$109,450.64	\$699,196.96
Total	15,862			\$699,196.96

BUDGETARY IMPACT:

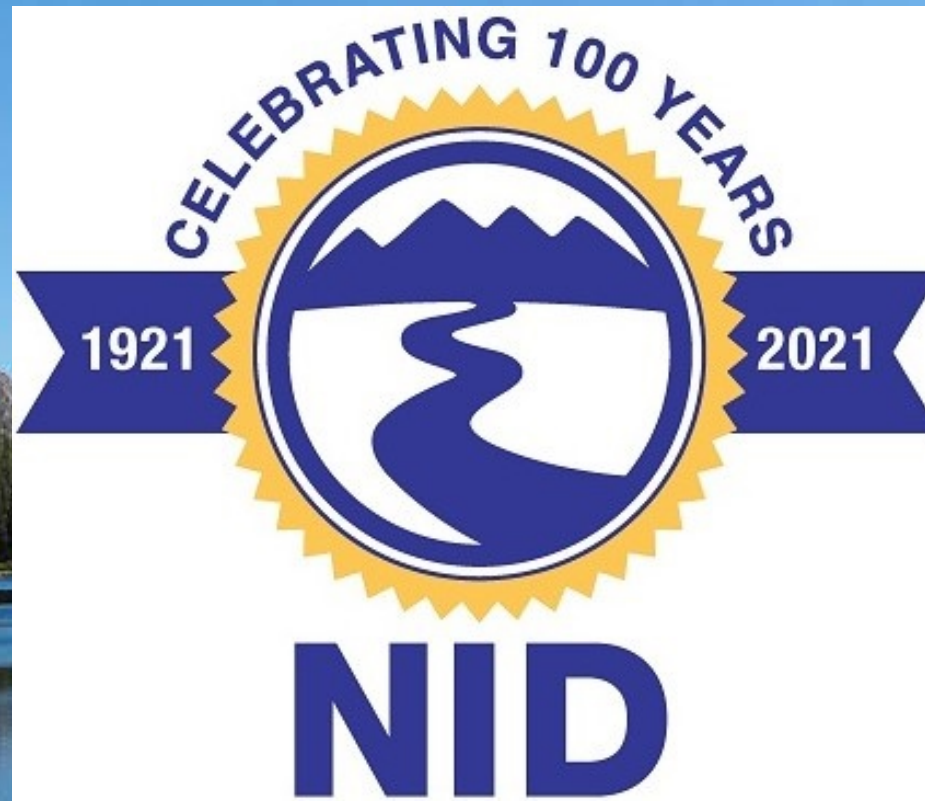
Impacts stated above.

Attachment:

- Water Supply Forecast PowerPoint
- Budget Transfer

NID Water Supply Update

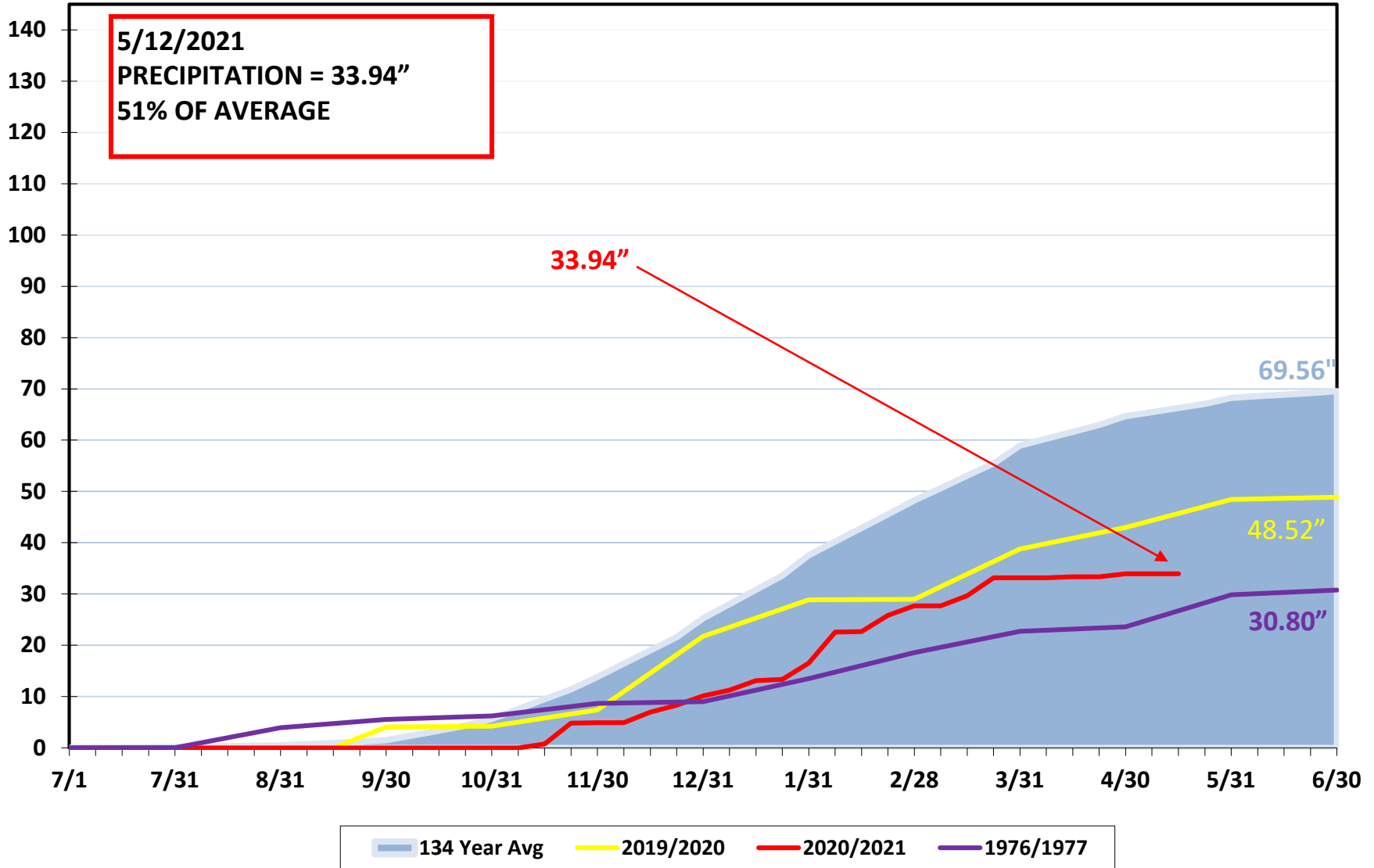
May 12, 2021



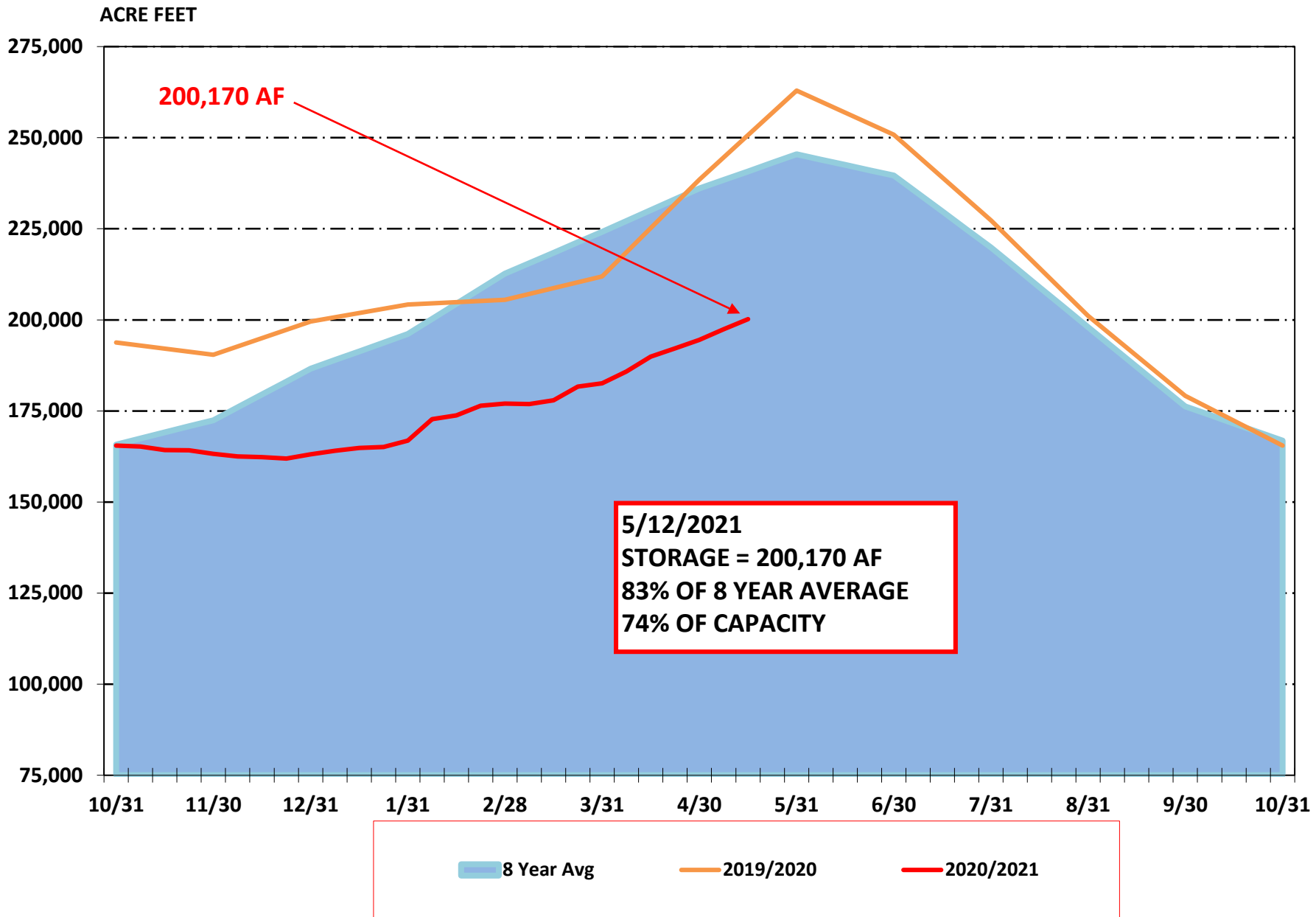
Proudly serving portions of Nevada, Placer, and Yuba Counties

BOWMAN LAKE PRECIPITATION

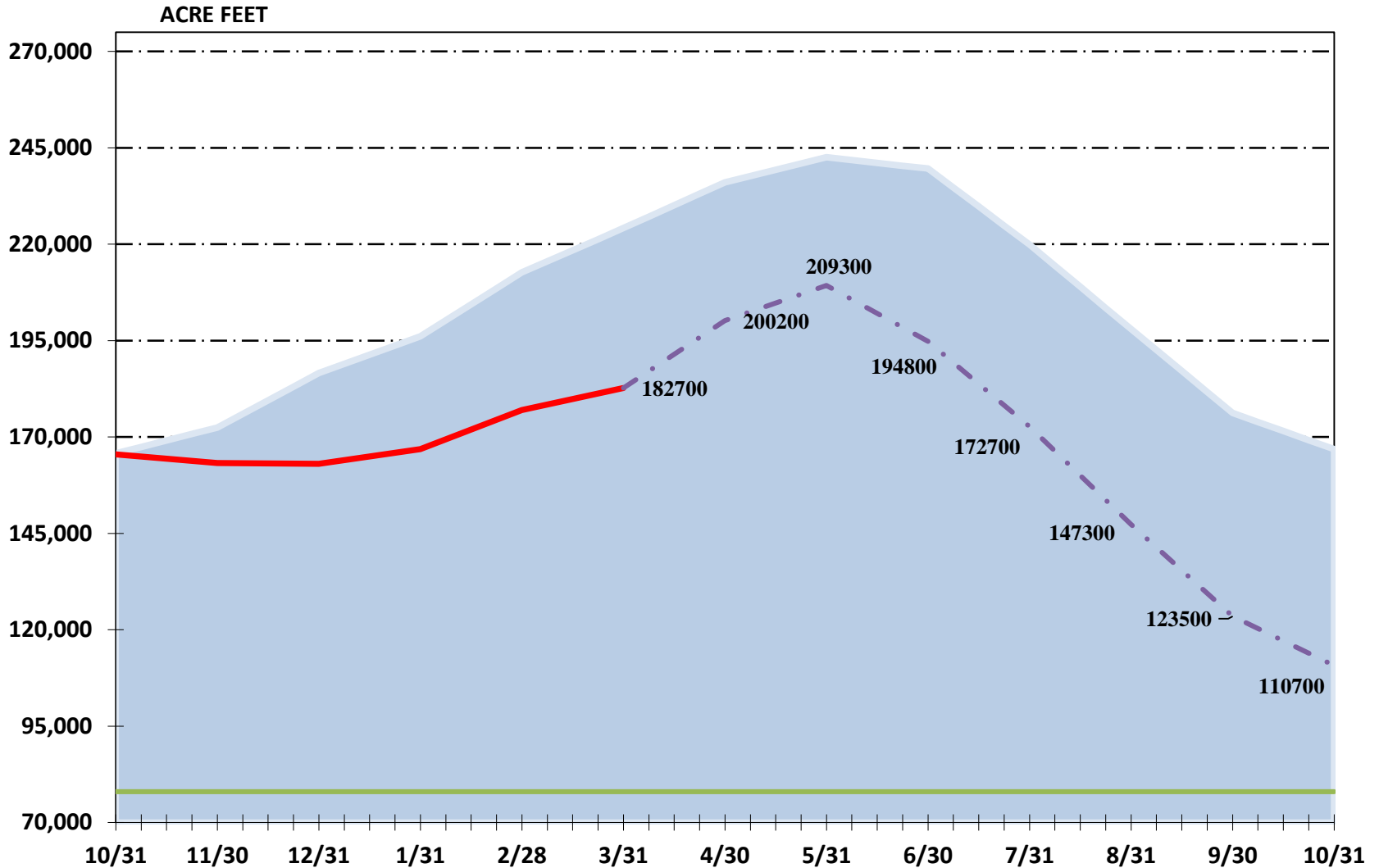
INCHES



NID RESERVOIR STORAGE



April 2021 STORAGE FORECAST



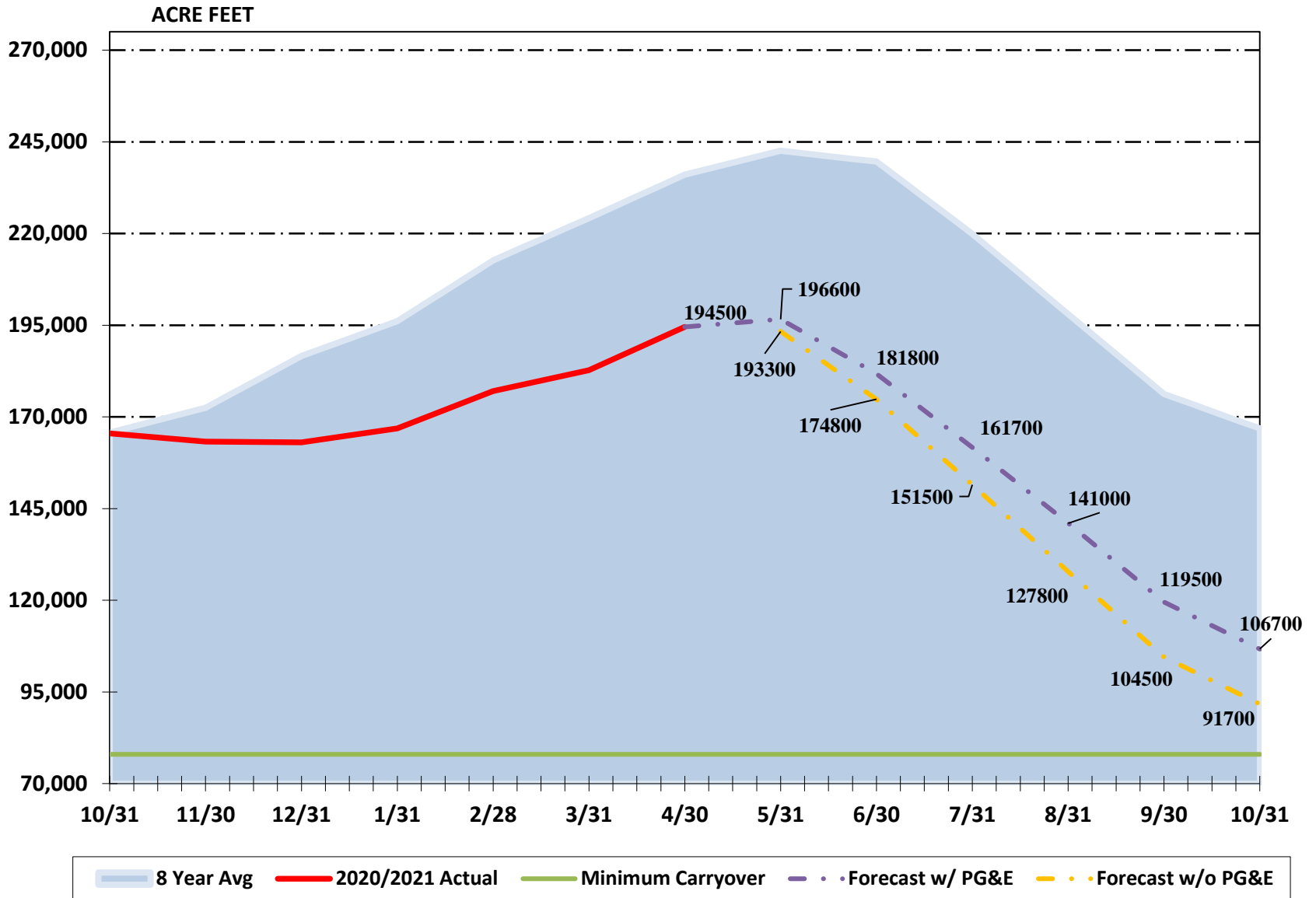
8 Year Avg

2020/2021 Actual

Minimum Carryover

Forecast

May 2021 STORAGE FORECAST





NEVADA IRRIGATION DISTRICT BUDGET AMENDMENT FORM

Budget
Amendment #

BA 2021 - 174

Date: 5/17/2021
 To: Greg Jones, Interim General Manager
 From: Chip Close, Water Operations Manager

Initial _____

Budget Increase: Accounts being increased. Enter positive number.

Department	Object / Account	Amount Increase
10171 Water Operations	52507 Water Purchase	\$ 620,000

Budget Decrease: Accounts being decreased. Enter negative number.

Department	Object / Account	Amount (Decrease)
10171 Water Operations	52608 Fed/St/Co Fees	\$ (70,000)
30250 Recreation General	52915 Project: Non-Programmatic	(200,000)
10151 Engineering	52915 Project: Non-Programmatic	(350,000)

Reserve Impact: Increase = Positive, Decrease = Negative.

Division Funding	Funding Account	Increase/(Decrease)

Explanation: Enter narrative explaining reason for amendment.

Increase water budget to purchase water from PG&E. Engineering is reducing project 6971 Alta Sierra Reservoir for \$350,000.

APPROVALS:

	<u>Date</u>	<u>Signature</u>	<u>AGM/FM Signature</u>	<u>Approved/Denied</u>
Level I:				
Level II:				
Level III:				