

NEVADA IRRIGATION DISTRICT AND
NEVADA IRRIGATION DISTRICT JOINT POWERS AUTHORITY

BOARD OF DIRECTORS

MINUTES

December 13, 2023

The Board of Directors of the Nevada Irrigation District and 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 13th day of December 2023, at 9 a.m.

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

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; Steve Prosser, Director of Maintenance; Sandra Dunlap, Director of Finance; Monica Reyes, Director of Recreation; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

STANDING ORDERS

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

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

- Larry Gonzi, with SARSAS (Save Auburn Ravine Salmon and Steelhead), is seeking a letter of support from the District for a fish passage feasibility study at the Gold Hill Dam site and provided the Board with printed materials, including letters of support from the Auburn City Council, Placer County Board of Supervisors, Aquatic Systems Research, and Friends of the Eel River
- Diane Gonzi, a supporter of SARSAS (Save Auburn Ravine Salmon and Steelhead), read a letter of support from Auburn City Council in support of SARSAS's efforts to bring fish over the Gold Hill Dam
- Jack Sanchez, President and founder of SARSAS (Save Auburn Ravine Salmon and Steelhead) spoke about the chinook salmon's love for small rivers like Auburn Ravine and shared what Placer County Water Agency is doing on the Auburn Ravine

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- Benedict Barretta, a retired NID employee, addressed the Board with concerns regarding retiree benefits in the MOU (Memorandum of Understanding), requested notification be made with retirees in the future before benefit changes are made, and asked the Board to reconsider approval of the MOU to make changes and communicate first with retirees

Director Caulder left the meeting at 9:13 a.m.

- Eric Peach, conservation chairman for PARC (Protect American River Canyons) and a ceramic artist, shared a story regarding a school program about salmon habitat and spoke in support of salmon in the Auburn Ravine

Director Caulder returned to the meeting at 9:16 a.m.

- Laura Peters, former NID Director, applauded SARSAS (Save Auburn Ravine Salmon and Steelhead) for approaching this issue and addressing the problem correctly and strongly urged the Board for their support

SPECIAL ORDERS

OPEB OTHER POST-EMPLOYMENT BENEFITS OVERVIEW

Sandra Dunlap, Director of Finance, introduced Doug Pryor with Foster & Foster, Inc., who provided a presentation.

Board discussion ensued regarding:

- Medical plan premiums
- Benefits are consistent and on par with industry standards
- 2009 – moved to Cal PERS
- Requested clarification of MOU process and notifications
- Accounting effort and 2-year look back
- Determining investment policy and strategies
- Global equity
- Risks and future analysis
- Average returns on Strategies 2 and 3
- Historical asset return graph correlation to the stock market
- REITs
- Plan for 2024 continuing PayGo, no redraw from trust in 2024, review in 2025
- Appreciation expressed for a clear presentation on an important and complex topic

Public Comment:

- Brad Fowler, member of the public, clarified Admin Expenses and Investment Expenses in parenthesis on Slide 9 are shown in thousands
- Laura Peters, former NID Director, commented on payroll projections shown on Slide 17

Received and filed. M/S/C Johansen/Heck, unanimously approved.

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CONSENT AGENDA

Director Johansen made a motion to approve the Consent Agenda.

Public Comment: None

Director Heck requested pulling the following items from the Consent Agenda for discussion:

- 4F: Annual Write-Off Report
- 4G: Community Facilities District No. 2007-1 Cement Hill Annual Report FY 2023-24
- 4H: Annual Report for Assessment District No. 2008-1 Rodeo Flat Fiscal Year 2023-24

Director Johansen amended his motion for approval of the Consent Agenda, excluding Items 4F, 4G, and 4H. Director Bierwagen seconded the motion, and it was unanimously approved.

The following Consent Agenda items were approved:

MINUTES FROM THE REGULAR BOARD MEETING ON NOVEMBER 8, 2023
M/S/C Johansen/Bierwagen, unanimously approved.

MINUTES FROM THE SPECIAL MEETING ON NOVEMBER 13, 2023
M/S/C Johansen/Bierwagen, unanimously approved.

2024 BOARD MEETING SCHEDULE
Approved the Board Meeting Schedule for 2024. M/S/C Johansen/Bierwagen, unanimously approved.

POSITION / COMPENSATION SCHEDULE - 1/1/2024
Adopted Resolution No. 2023-51 Approving the 2024 Position/Compensation, effective 1/1/2024, which includes a cost-of-living allowance (“COLA”) increase of 5% and the addition of a 6th step, and authorize posting to the District’s website. M/S/C Johansen/Bierwagen, unanimously approved.

ESTABLISH AN ACCOUNTS RECEIVABLE WRITE-OFF POLICY
Adopted Resolution No. 2023-52 Establishing District Policy 11140 - Accounts Receivable Write-Offs. M/S/C Johansen/Bierwagen, unanimously approved.

WARRANTS, PROJECT AND FACILITY REPORT, AND INVESTMENT REPORT
Ratified the issuance of warrants by receiving and filing the check registers, the project and Facility Report, and the Investment Transaction Report for the period of October 28, 2023 through December 1, 2023. M/S/C Johansen/Bierwagen, unanimously approved.

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GENERAL ORDERS

Items pulled from the Consent Agenda for discussion and consideration:

ANNUAL WRITE-OFF REPORT

Jennifer Hanson, General Manager, and Aurora Penaluna, Customer Service Administrator, presented the item.

Board discussion ensued regarding:

- Not contracting with contractors with outstanding balances until they are paid
- Reviewed 2023 write-off report
- Collecting prior balance owing before issuing a new permit
- Confirming deposit language is in the permit application
- Staff to look at Policy 11140 – Accounts Receivable Write-Offs and permit application to ensure the language exists supporting payment to the District of outstanding balances

Public Comment: None

Adopted Resolution No. 2023-53 Authorizing a write-off of \$29,604.18 from Miscellaneous Accounts Receivable in accordance with District Policy 11140 – Write-Off Policy. M/S/C Heck/Johansen, unanimously approved.

COMMUNITY FACILITIES DISTRICT NO. 2007-1 CEMENT HILL ANNUAL REPORT FY 2023/2024

Jennifer Hanson, General Manager, presented the item.

Board discussion ensued regarding:

- Future workshop
- Liability
- Amounts paid in full upon property transfers/sales

Public Comment: None

Received and filed the Fiscal Year 2023-2024 Annual Report for CFD No. 2007-1 Cement Hill. M/S/C Heck/Johansen, unanimously approved.

ANNUAL REPORT FOR ASSESSMENT DISTRICT (AD) NO. 2008-1 RODEO FLAT FISCAL YEAR 2023-2024

Public Comment: None

Received and filed the Fiscal Year 2023-2024 Annual Report for Assessment District (AD) No. 2008-1 Rodeo Flat. M/S/C Heck/Bierwagen, unanimously approved.

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

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BENEFITS AND COMPENSATION PLAN - WAGES, HOURS, AND TERMS AND CONDITIONS OF EMPLOYMENT FOR DEPARTMENT DIRECTORS

Greg Jones, Assistant General Manager, presented the item.

Board discussion ensued regarding:

- Administrative leave – amount paid annually vs. time off
- Evaluations
- Projected accumulative cost
- Clarification of updates proposed to Article 10
- Department Directors commended for being very responsive and responsible
- Modified work schedules contribute to a competitive advantage while looking at recruitment and retention
- Clarification of Appendix A

Public Comment

- Laura Peters, former NID Director, commented on alternate work schedules, unrepresented employees, and Administrative leave time

Adopted Resolution 2023-54 Ratifying the 2024 – 2026 Benefit and Compensation Plan and Authorizing Changes in Wages, Hours, and Terms and Conditions of Employment for Department Directors, and authorized the General Manager to execute all necessary documentation. M/S/C Johansen/Heck, unanimously approved.

BUDGET TO ACTUAL REPORTS - FY 2023 Q3, FOR THE PERIOD ENDING SEPTEMBER 30, 2023

Sandra Dunlap, Director of Finance, presented the item.

Board discussion ensued regarding:

- Property tax revenue – June and May
- Critical District is to property values
- Verify Sources of Transfers-In from Fund 10
- Thanked staff for helpful and clear narrative and timeliness
- 2022 Transfers-Out – Capital Transfers to Capital Reserve Amounts

Public Comment: None

Received and filed Budget to Actual Reports - FY 2023 Q3, for the period ending September 30, 2023. M/S/C Bierwagen/Hull, unanimously approved.

RECREATION COST ANALYSIS, 2024 RECREATION RATES, AND CAMPGROUND & RECREATIONAL LANDS

Monica Reyes, Director of Recreation, presented the item.

Board discussion ensued:

- Indirect expenses
- Recommended total outflows be reflected in the summary

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- Tracking the monthly vacancy rate
- Overhead allocation
- 10% increase for three years
- Credit card fees
- Safety, accuracy, and data input
- US Forest Service and Concession Agreement
- Future consent item to the Board for 10% increases for another two years, and projecting operating deficit with increases taking place
- Advertising
- Upper-division recreation, dispersed camping, and cost

Public Comment: None

Approved a 10% fee increase for the 2024 Recreation Rates effective January 1, 2024; staff will bring back an item to consider approval of 10% increases for 2025 and 2026. M/S/C Heck/Bierwagen, unanimously approved.

REORGANIZATION OF THE BOARD AND APPOINTMENT OF SECRETARY (PURSUANT TO WATER CODE, SECTIONS 21375 AND 21376), EFFECTIVE JANUARY 1, 2024

Director Hull nominated Director Johansen as President of the Nevada Irrigation District Board of Directors for 2024. Director Heck seconded the nomination. Hearing no other nominations, Director Johansen was nominated as President.

Director Johansen nominated Director Heck as Vice President of the Nevada Irrigation District Board of Directors for 2024. Director Bierwagen seconded the nomination. Hearing no other nominations, Director Heck was nominated as Vice President.

Director Bierwagen nominated Kris Stepanian for appointment as Secretary to the Board for 2024 (pursuant to Water Code, Sections 21375 and 21376). Director Heck seconded the nomination. Hearing no other nominations, Kris Stepanian was nominated for appointment as Secretary to the Board.

Dustin Cooper, District Counsel, shared that an item for appointment of District Treasurer may be brought to the Board in the future.

The Board thanked Director Hull for her year of service as Board President.

Public Comment: None

Director Bierwagen made a motion to approve the following nominations for the Reorganization of the Board for 2024 and the appointment of Secretary:

- Rich Johansen, President
- Ricki Heck, Vice President
- Kris Stepanian, appointed as Secretary

M/S/C Bierwagen/Hull, unanimously approved.

WORKSHOP ITEMS

HYDROELECTRIC DEPARTMENT FINANCIAL OVERVIEW

Keane Sommers, Director of Power Systems, presented an informational presentation and conducted a workshop on the finances of the Hydroelectric Department.

Board discussion ensued regarding:

- Hydroelectric facilities
- Deer Creek and future Board visit
- Renewable energy credits
- History of Hydroelectric at the District
- Building capital
- Dutch Flat rewind
- Current revenue structure
- History of Combie South
- Power Purchase Agreements
- Hydroelectric transfers to Recreation and offsetting water rates
- Overhead expenditures
- Profitability and profit and loss by business line
- Tracking of facilities
- Projects in the 5-Year Capital Improvement Plan
- Increasing revenue
- Appreciation of work and information provided
- Future discussion of adding a second powerhouse to Rollins
- Scotts Flat Spillway rebuild
- How staff accesses Scotts Flat
- Combie North – obtaining a specialized consultant
- Cryptocurrency
- Hydrogen generation
- The Hydroelectric Department's long-range plan
- Recreation requirement - 4E condition included in FERC license
- Labor breakdown and breakdown of costs
- Hydroelectric has generated over \$12.6 million towards the cost of water

Public Comment:

- Brad Fowler, member of the public:
 - o Revenue streams and revenue stream by burning off excess
 - o How the District handles excess water and supports the grid
- Laura Peters, former NID Director:
 - o Capital expenses – 2022 Building Cost
 - o Confirmed that presentation is the formal document of findings
 - o RTU (Remote telemetry unit)
 - o Inquired how often staff goes to Scotts Flat and associated cost
 - o Spreadsheet with amounts related to future projects
 - o Cost-benefit analysis and FERC liabilities

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- Recommended future analysis to include:
 - FERC Liabilities
 - Loss of additional carryover storage due to increased environmental flows
 - Loss of hydro revenue due to these decreased flows
 - Increased O&M cost for compliance
 - Increased capital costs for FERC-mandated projects
 - Future large capital costs for the South Yuba Canal
 - Capital costs for Deer Creek Powerhouse
- Hydroelectric labor positions

The meeting recessed at 1:20 p.m., and the Nevada Irrigation District Joint Powers Authority convened in open session.

NEVADA IRRIGATION DISTRICT JOINT POWERS AUTHORITY

NEVADA IRRIGATION DISTRICT JOINT POWERS AUTHORITY – REORGANIZATION OF THE BOARD

Public Comment: None

A conforming motion was made to approve the 2024 elected and appointed positions (pursuant to Water Code, Sections 21375 and 21376):

- **Rich Johansen, President**
- **Ricki Heck, Vice President**
- **Kris Stepanian, appointed as Secretary**

M/S/C Heck/Bierwagen, unanimously approved.

The Nevada Irrigation District Joint Powers Authority meeting adjourned at 1:21 p.m. and the regular NID Board Meeting reconvened.

GENERAL MANAGER'S REPORT

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

- Close to signing MOU for Bay-Delta Plan – deadline is January 19th

BOARD OF DIRECTORS' ITEMS / REPORTS

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

- U.N. announcement requesting a reduction of meat consumption in the U.S.

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

- Attended the Bear Yuba Land Trust Holiday Party
- Virtually attending the Bay Delta Hearings
 - Requested a more in-depth summary
 - Provided her takeaways regarding voluntary agreements and unimpaired flows

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

- None

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

- None

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

- Attended Nevada County Contractor's Association Holiday Party and shared highlights, including comments received about progress and change at the District

PUBLIC COMMENT ON ITEMS TO BE CONSIDERED IN CLOSED SESSION

- None

The meeting recessed at 1:29 p.m. and reconvened in Closed Session at 1:35 p.m.

Closed session was declared at 1:35 p.m. for public employee performance evaluation of General Manager (government code section 54957).

Board Action/Direction:

With Board consensus, an ad hoc committee was established, appointing Director Hull and Director Heck as members, to discuss potential changes in the salary and benefits of the General Manager for consideration by the Board as an open-session general item in January 2024.

MEETING ADJOURNED at 2:23 p.m. to reconvene in regular session on Wednesday January 10, 2024, 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