

**MINUTES OF THE
REGULAR BOARD MEETING
OF THE
BROWNS VALLEY IRRIGATION DISTRICT
NOVEMBER 10, 2016**

At 5:00 pm President Winchester called the Regular Meeting of the Board of Directors of the Browns Valley Irrigation District to order. Directors present were Bordsen, Lowe Wheeler, and Woods. Also in attendance was Manager McNally and Springsteen.

1. Minutes: The Minutes of the October 24, 2016 Regular Board Meeting were approved on a motion by Director Wheeler, seconded by Director Woods. All ayes motion passed.

2. Public Forum: Lincoln Young from Collins Lake Recreation presented the 2017 rates and asked to meet Concessionaire Committee in early 2017 to discuss the contract with BVID.

3. Finance Committee Report:

- a) Concerning the Financial Report for the month of October 2016. Director Bordsen reported that the Committee had reviewed the financial records for the month of October and found everything to be in order. Director Bordsen, seconded by Director Wheeler moved to approve the financial reports for the month of October. All ayes, motion passed.
- b) Concerning the 2016 Rate Study. Discussion only, no action taken.

4. The Board will consider a resolution Authorizing Assessments for Delinquent Charges to be collected on the Yuba County Tax Roll. Director Lowe, seconded by Director Wheeler moved to approve Resolution 11-10-16-01

President Winchester then polled the Board:

AYES: Directors Bordsen, Lowe, Wheeler, Winchester and Woods
NOES: None
ABSTAIN: None
ABSENT: None
Resolution 11-10-16-01 Passed

5. The Board will discuss developing an Option Agreement with the Woodland Davis Clean Water Agency (WDCWA) for the District's 2016 Conserved Water in the event Term 91 curtailments are imposed for the Sacramento River watershed. Discussion only, no action taken.

6. Manager's Report:

COLLINS LAKE STATUS

DATE	REMAINING SUPPLY VOLUME	%	LAKE ELEVATION	DIST BELOW SPILL	RELEASES	GEN OUTPUT
TODAY	23,980 AF	48.4%	1,153.1 FT	29.9 FT	1.0 CFS	0 KW
1 YEAR AGO	2,520 AF	5.1%	1,115.4 FT	67.6 FT	1.0 CFS	0 KW

STAFF ACTIVITIES

The Manager met with YCWA staff to discuss FY16 Power Enhancement Agreement figures for May and June 2016. For clarification, revenues prior to that were subject to PG&E Agreement. Per the new Agreement, the calculation for that period takes 1/6 of the project costs for FY 2015-2016 (to account only for those two months) and divides it by the revenue generated during those months to arrive at the actual net revenue factor to apply to the revenue generated by BVID's 47.2 cfs.

Because project costs were \$4,150,985, under the agreed formula, that figure is divided by the total YRDP revenue of \$9,711,993 for May and June 2016 to arrive at a Net Revenue Factor of 57%. (4,150,985 ÷ 9,711,993 = .43 project costs; 100 - .43 = .57 revenue.) That factor was applied to the total revenue generated by BVID's 47.2 cfs, \$171,408, to arrive at \$97,703. As per the Agreement, that number is again multiplied by 50% to arrive at \$48,851 for the months of May and June 2016. It should be noted that CAISO pricing remains low, resulting in a dramatically lower amount than the District has been accustomed to under the previous Agreement (extrapolating \$250,000 - \$300,000 over the year).

The large excavator has been repaired with a new turbo install.

The 100 HP pump is out at the river and has been pulled for inspection and repair. In addition, YCWA has asked for us to clean a section of the canal that has silted over due to a fish screen failure and is obstructing their flow sensor. That work is being scheduled.

CURRENT PROJECTS

Annexation

Staff has received several more return letters and intends to move forward with LAFCO in the coming weeks.

Rate Study

The Manager met with Bartle and Wells via conference call to discuss the 2016 Rate Study modeling to date. The District currently has a tremendous amount of flexibility due to its robust reserves but generally speaking, will need to entertain moderate rate increases each year to remain financially solvent moving forward.

Tennessee Ditch Hydro Project

Staff and NLine are currently working on developing the 50% design. They are also applying for two grants on our behalf and are including the grant management services in their original proposal. They estimate the District will need around \$1.5 million to make the project ROI less than 20 years. With that projection, the Manager has conditioned the project only to move forward if it is cash flow positive from day one.

Staff is proceeding with the work with California Fish and Wildlife to secure the easements for the project.

Yuba River Diversion Maintenance

At the recommendation of the consultant, staff is moving forward with the permitting process with the existing bypass channel only. Staff is proposing to have a general work window from June 1 to September 30, with a provision to do emergency work in April. To explore an additional channel parallel to the training wall would likely require a full Environmental Impact Report (EIR) and be very costly. The existing channel will be a much less onerous Mitigated Negative Declaration and be good for twelve (12) years with a five (5) year extension. Environmental studies begin this week.

PAST MEETINGS

- 11/01/16 The Manager met with Bartle and Wells to discuss preliminary data on rate study.
- 11/01/16 The Manager attended the YCWA Strategic Planning Workshop.
- 11/02/16 The Manager met with Blackburn Consulting to discuss the plan for the VRD Tunnel inspection.
- 11/03/16 & 11/04/16 The Manager attended the ACWA JPIA Leadership Program.
- 11/08/16 The Manager and Operations Manager transported a half ton pickup to Carmax in Roseville.
- 11/09/16 Directors Bordsen, Lowe and the Manager conducted a Personnel Committee meeting.
- 11/10/16 The Manager met with YCWA staff to review the revenues from the Power Enhancement Agreement.
- 11/10/16 The Manager and GIS Tech met with NLine via conference call to discuss further grant opportunities.

UPCOMING MEETINGS

- TBD BV Ridge Ad Hoc Committee to discuss BVID acceptance on Stern Lane infrastructure.
- 11/14/16 Conference call with Bartle and Wells to discuss the rate study.
- 11/15/16 Virginia Ranch Dam Tunnel Inspection at 10:00 AM.
- 11/16/16 CSAC Budget Training Conference 10:00 AM to 1:00 PM.
- 11/17/16 DSOD Dam Inspection 12:00 PM.
- 11/28/16 ACWA Conference (through 12/02/16).

- 12/06/16 Yuba County Groundwater Committee Meeting at 1:00 PM (Yuba Co Board Chambers).
- 12/08/16 BVID Board Meeting.
- 12/09/16 BVID EAP Face to Face Meeting at YCWA.

DISTRIBUTION MAINTENANCE / OPERATIONS

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| RECENT PROJECTS | <ol style="list-style-type: none"> 1. Finished mechanically cleaning the Arnold, Lower Olive Hill, and Finch ditches. 2. Continued clean up on the Lower Ellis pipeline conditions allowing. 3. Repacked a section of the Arnold ditch downstream of the Springsteen ranch. 4. Marking valves and air vents and repainting those that need it. 5. Removed brush and cleared the path to the end of the tunnel that extends from Virginia Ranch Dam to the Kane property in preparation of the impending tunnel inspection on 11/15/2016. 6. Had the 100 H.P. pump nearest the west side of the pump platform pulled for repair and had a piece of wood removed from the flap gate for that pump. 7. Completed a service installation on the Ellis pipeline. 8. Had the turbo replaced on the John Deere 160 excavator and it is now back in service. |
| FUTURE PROJECTS | <ol style="list-style-type: none"> 1. Continue clean up on the lower Ellis pipeline conditions permitting. 2. Complete tunnel inspection at Virginia Ranch Dam. 3. Complete DSOD inspection at Virginia Ranch Dam. |

7. Director's Comments and Reports: None

8. Correspondence:

- Letter dated October 24, 2016 to BVID from Collins Lake Recreation regarding 2017 fees

9. Closed Session: Update the Board and receive direction from the Board on labor negotiations involving Directors Bordsen and Lowe (Personnel Committee) and Operating Engineers #3; Government Code sections 54954.5 (f) and 54957.6.

10. Closed Session: The Committee will **discuss the 2016 Compensation Study and potential associated salary increases** involving Directors Bordsen and Lowe (Personnel Committee) and the Operations Manager, Office Manager and GIS Technician; Government Code sections 54954.5 (f) and 54957.6

11. Open Session: The Board will report any action taken in closed session: After discussion, the Personnel Committee will meet prior to December 8, 2016 Board Meeting to develop a recommendation.

12. Adjournment: