

**MINUTES OF THE
REGULAR BOARD MEETING
OF THE
BROWNS VALLEY IRRIGATION DISTRICT
NOVEMBER 16, 2017**

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

1. Minutes: The Minutes of the October 26, 2017 Regular Board Meeting were approved on a motion by Director Wheeler, seconded by Director Bordsen. Directors Wheeler, Winchester and Bordsen ayes, Directors Lowe and Woods absent, motion passed.

2. Public Forum: Warner Phillips of Loma Rica inquired about BVID supplying winter water.

3. Finance Committee Report: Concerning the Financial Report for October 2017. 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. Directors Wheeler, Winchester and Bordsen ayes, Directors Lowe and Woods absent, motion passed.

4. The Board will consider adopting Resolution 11-16-17-01 Authorizing Assessments for Delinquent Charges to be collected on the Yuba County Tax Roll. President Winchester, seconded by Director Wheeler moved to approve Resolution 11-16-14-01.

President Winchester then polled the Board:

AYES: Directors Winchester, Bordsen & Wheeler
 NOES: none
 ABSTAIN: none
 ABSENT: Directors Lowe and Woods
 Resolution 11-16-17-01 Passed

5. The Board will discuss the Tennessee Ditch Hydroelectric Project and may take action as appropriate. No action taken.

6. The Board will discuss the process toward renewing the Collins Lake Concessionaire Lease Agreement, including scheduling a kickoff meeting for that process. No action taken.

7. Manager's Report:

COLLINS LAKE STATUS

DATE	REMAINING SUPPLY VOLUME	%	LAKE ELEVATION	DIST BELOW SPILL	RELEASES	GEN OUTPUT
TODAY	25,240 AF	51.0%	1,154.9 FT	28.1 FT	0.0 CFS	0 KW
1 YEAR AGO	24,060 AF	48.6%	1,153.2 FT	29.8 FT	0.0 CFS	0 KW

STAFF ACTIVITIES

On 10/18/2017, YCWA advised of necessary reductions in fall river diversions due to regulatory flow requirements. This request would have resulted in BVID diverting 36 cfs in October and 25 cfs in November, which is significantly less than our water right of 47.2 cfs and 35 cfs for those months, respectively. After reviewing the Agreement, the Manager called into question the validity of those reductions since they affect the District's senior water right, otherwise measured at Slate Creek. BVID's Legal Counsel has opined that the Agreement does not allow YCWA to compel the District to divert less than its water right during the fall. Just to be clear, however, and for posterity, YCWA was very flexible with the District throughout these flow requirement demands and BVID's diversions were not affected.

On 11/04/2017, staff ended the 2017 Irrigation Season after having received over an inch of rain beginning 11/03/2017. However, to continue minimal service to areas affected by the Cascade Fire, the spill boards remained in place until 11/14/2017.

On 11/09/2017, the Operations Manager escorted DSOD for their annual inspection at the Virginia Ranch Dam with satisfactory results.

Staff has received the FY 2016/2017 "true-up" for the YCWA/BVID Power Enhancement Agreement. From July 2016 to July 2017, the gross revenue produced by BVID's 47.2 CFS was \$1,276,466.29. As per the Agreement, YCWA calculates the "Net Revenue Factor" based on calculating the Yuba River Development Project Costs divided by the Yuba River Development Project Gross Revenue to arrive at a percentage. For FY 2016/2017, the total gross revenue was \$61,519,369.23 and the O&M costs were \$28,050,959.73. The difference between the two is the percentage of net revenue, or 54%. The gross revenue produced by BVID's water right was multiplied by that percentage to arrive at \$694,436.51 (net revenue). Per the Agreement, the net revenue is shared equally by BVID and YCWA ($\$694,436.51 \div 2$) to equal \$347,218.25. Because YCWA paid BVID \$260,950.56 for the period ending 12/31/2016, BVID will receive a check for \$86,267.70 for that period. It should be noted that YCWA will provide the audited financials to double check that the cost elements are consistent with power generation with BVID's water.

CURRENT PROJECTS

Caltrans Highway 20 Realignment

Staff is currently reviewing easement proposals to ensure they meet the needs of the District.

Cascade Fire

On 11/09/17, staff replaced the burned power pole and panel on Bonanza Way.

Staff is in the process of determining which of the flumes will be replaced and which will become inverted siphons.

FEMA Disaster Assistance

Staff is working with FEMA staff toward closing some of the open projects from the January 2017 high water event.

Tennessee Ditch Hydro

Staff met with NLine Energy and they are proposing to resize the project to 499 kW based on the capacity associated with the interconnection charges. Projects over 500 kW require additional requirements from FERC that are not cost effective for projects this size.

Because the next step would be to secure a funding source to see if this project will remain cash flow positive before refiling for an interconnection, the Manager met with YCWA to gauge their willingness to assist with the favorable financing terms necessary to ensure the project is cash flow positive. Ahead of the meeting, the Manager provided a project overview to Mr. Aikens, of which he conferred with two independent consultants. They each concluded the project to be high risk with low potential for revenue, especially over the 25-year term required. It is their opinion that O&M costs are tremendously understated and power prices are optimistic which would erode an already very narrow profit margin. As such, YCWA is very reluctant to assist with the project with the multimillion dollar, long term 0%-1% financing needed, especially with the unknowns of relicensing costs for YCWA over the next several years. This was communicated to NLine and in the event BVID wishes to continue forward with the project, they are looking at various NGO's that may want to partner on the project.

UC / Porter Creek

Legal Counsel is working with MBK to develop a strategy to best handle the water rights issues associated with the. Counsel is also going to draft the proposal to the University as was discussed at the October 12, 2017 Board Meeting.

PAST MEETINGS

- 11/02/17 The Manager attended the final ACWA/JPIA Leadership Course class in Roseville.
- 11/03/17 The Manager attended a meeting with Katie Burdick to discuss the IRWMP and project planning at BVID.
- 11/08/17 The Manager attended an IRWMP meeting to discuss regional project planning at YCWA.
- 11/09/17 The Operations Manager met with DSOD to inspect the dam and spillway.
- 11/14/17 The Manager attended a groundwater workshop at YCWA.

UPCOMING MEETINGS

- 11/21/17 Accord Executive Committee Meeting at YCWA (2:30 PM).
- 11/27/17 – The Manager will attend the ACWA Conference in Anaheim.
- 12/01/17
- 12/07/17 Annual EAP “Face to Face” Meeting.
- 12/14/17 BVID Board of Directors Meeting.
- TBD A kickoff meeting to discuss the Collins Lake Lease Agreement.

DISTRIBUTION MAINTENANCE / OPERATIONS

- RECENT PROJECTS
1. Continued work on the Redhill East pump station.
 2. Spills and keyways have been set up for winter in the upper district.
 3. Installed a new power pole and meter box for the Bonanza pump. We fabricated a new screen box and are in the process of finishing the project.
 4. The B.I.T. inspection was completed for the Topkick dump truck and two large trailers.
 5. Tony Ward met with D.S.O.D. on 11/9/17 at Virginia Ranch Dam for the yearly dam inspection.
 6. Completed a shut off list consisting of delinquent accounts.
 7. Three employees enjoyed vacations in the last three weeks.
- FUTURE PROJECTS
1. Mechanically clean a section of the Dexter ditch.
 2. Finish the pump system install at Redhill East.
 3. Finish the valve installations at Redhill East.
 4. Finish the Mahle pipeline audit.
 5. Work on the damage caused by the Cascade fire.

8. Director's Comments and Reports: None

9. Correspondence: None

10. Adjournment: