

**MINUTES OF THE
REGULAR BOARD MEETING
OF THE
BROWNS VALLEY IRRIGATION DISTRICT
DECEMBER 13, 2012**

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

1. Minutes: The Minutes of the November 15, 2012 Regular Board Meeting were approved as presented on a motion by Director Wheeler, seconded by Director Winchester. All ayes, motion passed.

2. Public Forum: None

3. Finance Committee Report: Director Wheeler reported that the Committee had reviewed the financial records for the month of November and found everything to be in order. Director Wheeler, seconded by Director Bordsen, moved to approve the financial reports for the month of November. All ayes, motion passed.

4. Manager's Report:

Collins Lake:

The current elevation is 1,170.3 ft, which is 12.7 ft below spill. This amounts to 76.4% of storage with 37,840 Acre Feet of usable supplies and almost double the storage we had just one month ago. The Generator is off with releases of 1.0 cfs. Last year on this date the elevation was 1,157.7 ft, which is 25.3 ft below spill (55.4% or 27,430 Acre Feet). The Generator was off with releases of 3.0 cfs.

The FERC requested core boring (3" diameter) of the area just east of the bridge over the spillway took place on December 5th. Loose soil was found at one bore location. This was the bore nearest to the spillway with the loose soil extending from a depth of 4' to 10'. The balance of the core samples were of normal compaction. Once the lab work is done, a report will be prepared, which FERC will use to make any recommendations.

Financial Activities:

Several CDs matured at Edward Jones and as a result, \$175,000 was deposited into the County Pool.

Cal ISO:

The Cat 6 cable has been installed from the top of the Dam to the Powerhouse and the phone technician came up this afternoon to wire the system together. However, the recent storm blew off the solar panel at the top of the Dam. Next week the consultant will return to 1) install a new solar panel and 2) verify and certify the CalISO meter.

BVID's Yuba River Power Enhancement Agreement:

Kevin Goishi (the PG&E rep during the negotiation process) has left and now a new guy (Dave Ward) is handling this process for PG&E. So, PG&E has had a new set of eyes looking at this amendment and an issue has come up concerning water right vs. water diverted. PG&E is now stating that they only want to pay for the actual amount of water BVID diverts as opposed to the face value of the water right. This represents a possible \$1 million swing in payments over the life of the agreement (less than 3 years) or about \$2.8 vs. \$3.8 million. I have provided a copy of the Ryan Bezerra memo that defends our argument to Dave. Also, Paul Bartkiewicz is reviewing the contracts and the Bezerra memo. If, after consulting with Paul, Curt Aikens (YCWA) and BVID are in agreement on this issue, Paul will represent both of us to convince PG&E that payment should be based on the water right and not the diversion amount. If YCWA & BVID are in conflict on this issue, BVID will need to seek other counsel. This is far more than just a bridge contract, it will influence the future agreements between BVID and YCWA.

Dry Creek Recapture Project:

The required supplemental CEQA work to account for the change in the design of the intake structure (from an infiltration gallery to a cone screen) is underway. The Technical Memorandum is being reviewed by legal and will be the basis of the addendum and the CEQA amendment. Also, the permitting process for the stream alteration and wetlands is underway with applications sent to both the DFG and Regional Water Quality Control Board.

Tennessee Ditch Hydro Project:

The consulting team has revised the feasibility study to include the winter water generation and a full 10 years of water history. This report will be presented to the Hydro Committee at tomorrow's meeting. A seek peek of the updated report has a 30% increase in generation over the first version of the report.

Winter Water Contract:

Based on a conversation with Scott Matyac (YCWA) at the ACWA conference, I expect this process to begin moving forward soon.

National Marine Fisheries Service (NMFS) 2012 Biological Opinion:

Addressed in the letter from Barton and Gallery dated November 21, 2012.

Department of Justice Voter Pre-Clearance Bailout:

We have received letter from USDOJ preclearing the 2004 Board appointments and the Notice of Consent to the bailout. Once we receive the Consent Decree and the court's judgment, the process will be complete. This could all happen by early next year.

Meetings:

Past:

11-16-12 I attended the ACWA Board meeting in Sacramento.

11-19 through 11-21-12 I was on vacation.

- 11-20-12 I attended the YCWA NMFS 60 day Notice of Intent to Sue briefing in Marysville.
- 11-28-12 I attended the Yuba Accord Technical Committee meeting in Sacramento.
- 11-30-12 I participated in NCWA Communications Committee conference call.
- 12-03-12 I attended the ACWA/JPIA Board meeting in San Diego.
- 12-04-12 I attended the ACWA Energy Committee meeting, the Welcome Reception and the Erik Johnson (Water Broker) dinner in San Diego.
- 12-5 through 12-7-12 I attended the ACWA Conference in San Diego.
- 12-11-12 I attended the USBR Long Term Transfer meeting in Sacramento.
- 12-12-12 Director Winchester attended the NCWA Board meeting in Sacramento.
- 12-13-12 The GIS/Planner represented BVID at the Annual FERC Face-to-Face meeting in Wheatland (joint meeting with South Sutter WD).
- 12-13-12 The Finance Committee (Directors Wheeler and Winchester) met to review the November bills and statements.

Future Meetings:

- 12-14-12 Hydro Committee (Directors Winchester and Bordsen) for the Tennessee Ditch Hydro Project.
- 12-18-12 Dry Creek Recapture Project CEQA field meeting.
- 01-04-13 NCWA Communications Committee conference call.
- 01-09-13 Yuba Accord Technical Committee meeting in Sacramento.
- 01-10-13 Finance Committee (Directors Wheeler and Winchester) to review the December bills and statements.

Projects:

Past:

1. Installed a new entry door at the District Office.
2. Repaired a blown out ditch bank on the Heintzen.
3. Completed the 90 day BIT inspection for the dump truck.
4. Repaired the road to the Powerhouse that was damaged during the heavy rain.
5. Mechanically cleaned a section of the Sicard ditch.
6. Replaced the oiler solenoid on the 50 hp pump at the Yuba River pumping station.
7. Sprayed wharf valves, main valves, and paddlewheel areas with pre-emergent.
8. Completed the maintenance on the Upper Main pump to include oil change, packing replacement, and greasing.
9. Installed a wharf valve near the Upper Main pump station.
10. Installed the phone enclosure box in the Powerhouse for the Cat 6 line.

11. Rebuilt a service on the Peoria Ridge pipeline.
12. Completed a shut off list of the liened properties per the Office Manager's request.

Future Projects:

1. Continue Spray Program weather permitting.
2. Continue ditch cleaning.
3. Finish the tile work and wall repair from the entry door replacement.
4. Flush wharf valves and blowouts.
5. Exercise main line valves.

5. Discussion of the Gallery & Barton letter concerning the meeting at YCWA concerning the YCWA & SYRCL Notices of Intent to Sue. Discussion only no action taken.

6. Consider the budget for the electrification of the Saddleback Lift Pump. After discussion the board directed Manager Cotter to firm up the PG&E portion of the budget and resubmit to the board.

7. Director's Comments and Reports: None

8. Correspondence: None

- Letter dated November 20, 2012 from Yuba County Registrar of Voters regarding Board Appointment.
- Letter dated November 21, 2012 from Gallery & Barton regarding Notices of Intent to Sue.
- Letter dated November 28, 2012 from US DOJ regarding clearing Board Appointment.
- Letter dated December 8, 2012 from Collins Lake Recreation Area regarding 2013 rates.
- Memo dated December 10, 2012 from Manager Cotter regarding activities at the Fall 2012 ACWA Conference.

9. Adjournment: There being no further business before the Board, President Lowe adjourned the meeting.