

Minutes of the Board Meeting of the
TRUCKEE-CARSON IRRIGATION DISTRICT
Regular Session
JUNE 7, 2012

The Board of Directors of the Truckee-Carson Irrigation District, in the Counties of Churchill and Lyon, State of Nevada, met in regular session at the offices of the District, 2666 Harrigan Road, Fallon, Nevada on **Thursday, June 7, 2012.**

Call to Order, Roll Call, Pledge of Allegiance

President, Ernest C. Schank called the meeting to order at 9:09 a.m. in compliance with NRS Chapter 241. The following Directors were present constituting a quorum:

Present:	Ernest C. Schank	President
	Dave Stix, Jr.	Vice President
	Bob Oakden	Secretary
	Lester deBraga	Treasurer
	Eric Olsen	Director- Arrived 11:07
	Joe Gomes	Director
	Wade Workman	Director

Others Present:	Rusty Jardine - Arrived 1:30 pm	Project Manager, General Counsel
	Walter Winder- Arrived 1:30 pm	O&M Foreman, Deputy Project Manager
	Mark Solinski	Hydro Foreman
	Kate Rutan	Office Manager

Guests	Representing
Tony Ilardi	FHTC
Tim Jones	Pine Grove Subdivision
Steve Puterski	Lahontan Valley News
Marie Duncan	Swingle Bench Water User
Rod Windle	FHTC
Dwight Orton	FHTC
Kenneth Parr	Bureau of Reclamation
Kris Urquara	Bureau of Reclamation
Richard Grimes	USFWS
Fred Rogne	E.H. Hursh, Inc.
Chris Rogne	E.H. Hursh, Inc.

CALL TO ORDER

The **Pledge of Allegiance** was led by **Director Bob Oakden**.

Approval of Agenda

A **motion** was made by **Director Lester deBraga** to approve the agenda seconded by **Director Dave Stix**, and the motion was unanimously approved.

General Public Comment

Marie Duncan, Swingle Bench Water User, stated that, so far, they have not received any water in that area. The ditches have not been burned. They only burned under the culverts on Bench Road leaving the rest of the ditch un-burned. She spoke to Walter Winder about this who stated he would send someone out to burn, but they did not do a satisfactory job. Marie made a formal request for the ditch from the Bango take-out down to Bench, as well as the side ditches to be burned, fully, so that when water does come down, it will be able to flow properly.

Rod Windle has noticed that with the new take-outs in the Fernley Reach that Tim Ballard will start the water and take the wheel with him. He believes that the wheel should be left on the structure for use should someone have a problem and need to shut the water off. When he is done watering, it needs to be shut off immediately.

Director Stix stated that there is a policy that was adopted by this Board and brought forth by the Bureau to limit the amount of people up on the structures. There are liability issues and it is a way to control people from taking the water when they are not supposed to. The policy reads that a water user is allowed to go up to a structure if instructed by the ditch rider. If the ditch rider is not able to get to the structure in time for turn off, it is arranged in advance that he will leave the wheel there for the water user to turn off.

Director Stix gave a brief report to the group about work being done on the canal where several new seeps have opened. Crews are working very hard to prepare the canal for the AquaLastic spray to close the seeps. The canal must be dry when the product is sprayed. Kate reported that all work should be done by Saturday, June 9, 2012 and the water turned back on Saturday night.

Kenneth Parr stated that the Bureau has received plans for the repair of the Railroad Seep and have reviewed it. The Bureau has several comments but has no issue with going forward with the repair of that seep. Water is being checked at the Allendale Check so that the Truckee Division can continue to be serviced. Walter is finalizing plans for the filter blanket at the Steam Pad Seep. Bureau engineers are on standby to review those plans when completed and provide comments.

The Bureau has received design plans for the pump taken-outs during the construction on the Truckee Canal conduits and will sending comments to Walter Winder for finalization. There is still work to be done on the stock water lines. The TCID water truck continues to deliver water to livestock in Fernley.

There was a question as to whether or not TCID would be replacing gates that were removed for the conduit construction. TCID will replace the gates in a matter of time after priority items have been completed. Automatic gates will be used.

Approval of Prior Meeting(s) Minutes Prior

A **motion** was made by **Director Lester deBraga** to approve the Special Session Meeting Minutes of March 23, 2012 seconded by **Director Eric Olsen**, board requested public comment, and the motion was approved by a vote of 4-2 with the two abstentions by **Director Wade Workman** and **Director Joe Gomes** who were not Board members at the time of the meeting.

A **motion** was made by **Director Bob Oakden** to approve the Special Session Meeting Minutes of April 27, 2012 seconded by **President Ernie Schank** and the motion was approved by those present at the workshop.

A **motion** was made by **Director Eric Olsen** to approve the Special Session Meeting Minutes of May 1, 2012, with changes, seconded by **Director Bob Oakden**, board requested public comment, and the motion was approved with one abstention by **Director Dave Stix**.

A **motion** was made by **Director Dave Stix** to approve the Regular Session Meeting Minutes of May 7, 2012 seconded by **Director Joe Gomes**, board requested public comment, and the motion was approved with one abstention by **Director Lester deBraga**.

Consideration/Possible Action – Treasurer’s Report - 2012 Monthly Disbursements

Director Lester deBraga reported on the amount of money that has been drawn on the \$3mm bond loan for work on the Truckee Canal, to date, from First Independent Bank as \$1,688,679.00. This leaves a balance of \$1.7mm. The amount that TCID spent prior to using the bond money is \$845,587.00 for a total of \$2.5mm. TCID has not yet been reimbursed for the \$845,587.00. The last bill from A&K Earthmovers has not yet been received. Lester suggested that TCID not borrow back from the bond money in order to avoid paying interest on the \$845,587.00. TCID should only borrow enough to operate. Interest for this month alone was \$2,500.00.

There is currently \$370,000.00 in the District General Fund. TCID is approved to draw on this fund in order to pay bills. Enough money must remain in the account to fund the Lewis Spill. Research will be done in order to determine the total acres are being assessed the \$1 per acre District General fee. **Rusty Jardine, District Manager** was asked to produce the total number of District General acres assessed.

To date TCID has paid out \$277,409.00 for conservation work with \$269,000.00 in the conservation account. **Walter Winder** indicated that the entire balance will need to be used.

TCID has been billed \$104,000.00 by Hansen Bridgett this month. This puts TCID over the budgeted amount for legal. The original budget allowed for \$304,000.00 and to date \$631,000.00, so far.

Nevada Division of State Lands has asked TCID to waive \$14,105.00 in assessments. The Board does not want to do this.

The Parts House called TCID as the bill is 60-days in arrears. The TCID finance department informed that further information is required for the process to move forward and then must be approved by Walter Winder. This must be done prior to the bill being paid. If the bill is paid within 30-days then a 2% discount is received. The process is part of the TCID audit trail. Rusty will contact the parts house and get the situation resolved.

To pay the bills a transfer of \$417,471.00 will need to be made. This is assuming that the \$60,000 will be received from the tax rolls and \$100,000 will be made from hydro revenue. Money from the conservation fund and District General will also be used.

A **motion** was made by **Director Lester deBraga** to approve paying the bills for April, 2012 with a transfer of monies also using the tax roll monies of \$60,000 and hydro revenues to pay with check numbers 30201-30327 seconded by **Director Eric Olsen**, board requested public comment, and the motion was unanimously approved. No public present for comment.

Review of District Matters with District Manager and Supervisors

• **Rusty D. Jardine, Esq., District Manager**

• **Kate Rutan, Office Manager**

Kate reported that the confined space rescue training was conducted Tuesday and went well. There will be an additional class to be held at the end of this month to make the training complete. Those participating will obtain their rescue certification which is required for TCID to maintain workers compensation insurance. The requirement is that a rescue team be on-call and be able to be on scene within 30-minutes of being notified that a rescue team is needed in a confined space.

Kate submitted the Annual Operating Plan Progress Report to Rusty and then to Kenneth Parr of the Bureau. The full supply of water is forecasted to be 297,922 AF based on demand plus efficiency of 66.8% resulting in the total full supply. The supply is currently 94% of what it should be at the end of the year. This is also based on the Truckee Canal being operational. The 2011 efficiency credit owed by TCID next year for individuals with water left on the books is also included in the report. The District will be paying out approximately \$5,736 in credit to compensate for the O&M fees this year, as it is not a 100% year.

The Access Database upgrade is moving along well. A prototype will be available soon.

• **Mark Solinski, Hydro Foreman**

Mark reported the following:

Location	KWs
26' Drop	750
New Power Plant	2,500
Old Power Plant	1,625
TOTAL:	4,875.00

Everything is running well.

• **Walter Winder, Deputy Project Manager/O&M Foreman**

Walter reported the following water storage levels data:

Lahontan Elevation	4,150.11	Feet
Lahontan Storage	177,900	Acre Feet
Lahontan Out Flow	696	CFS
Carson River Flow At Fort Churchill	70	CFS
Truckee River Flow At Vista	408	CFS
Truckee Canal Flow At Wadsworth	0	CFS
Truckee Canal At Hazen (Bango)	0	CFS
Truckee River Below Derby Dam	336	CFS
Spilling At Gilpin Approximately	0	CFS

Diverted Last Month 38,233 AF
 Delivered Last Month: 23,645.17 AF
 Efficiency Last Month: 61.8* %

Year To Date Diverted:	<u>71,294</u>	AF
Year To Date Delivered:	<u>41,543</u>	AF
Year To Date Efficiency:	<u>58.3</u>	%

★ Subject to Bureau of Reclamation review and adjustment.

U.S. Fish and Wildlife Service Representative(s) - Wetlands Issues

Richard Grimes reported on the May land sale of a property of Rogers Road and one on Testolin Road. One of the properties will be put back into operation and irrigated for agriculture. Richard thanked Diane Baley for helping with questions from potential bidders on the properties. Proceeds from land sales are where the money comes from to pay TCID O&M fees.

Not all land purchased by the USFWS is suitable or feasible for irrigation. Some of the water on the fringes of the Newlands Project is on marginal ground and water will probably not be going back to work on this land. Land acquired by the USFWS is routinely made available for free under annual transfer permits bringing land back into production. By allowing people onto these properties the property value is maintained due to the land being put to productive use. It is also a great way to get people interested in potentially acquiring those properties from the USFWS in future land sales.

With the Bureau's funding the USFWS was able to participate in Churchill County's effort to use new technology to acquire topographical information. Richard is amazed at what some of the new data can be used for. The USFWS is able to monitor wetland elevations and areas. It will be a great new tool for monitoring wetland acreage.

There has been concern about what the USFWS program has on the shallow aquifer levels and other aquifers in this area. The USGS has been collecting data from wells throughout the valley about effects to the shallow aquifers, primarily effects from their checkerboard acquisition program and retirement of water rights and moving of water rights to the wetlands from farm land. The USFWS has put in several wells at their own expense to help expand the network and see what is happening in the valley. The USFWS is hoping to fund a 20-year summary of data collected over the next year or so to look at effects on well levels and compare what has been found in the data collection versus what was expected to be found in some the earlier USGS studies. It is a good way to make sure there are no unintended consequences that could be attributed to the USFWS water rights acquisition program. It will cover the entire Carson Division.

President Schank asked what was going on with the Ghiglia water. Richard stated that this water was purchased from segment 7 above Lahontan Reservoir at the end of 1999. Between this and the Robinson family approximately 950 acres of water rights were acquired from Segment 7E. The intent was to use the water, pass it through the reservoir and the project to be used at the wetlands as a way to reduce impacts from the acquisition program in the valley. The State Engineer ruled against the USFWS and they in turn filed an appeal in federal court and hope to use that water at the wetlands. They are awaiting the decision. In 1996, the USFWS made a decision to make a good faith effort to identify other sources of water other than farms in the Carson Division for purchase. They do have the authority to convey the Ghiglia water through the Newlands Project.

There are still some minor boundary issues in the east side of Stillwater Farms regarding encroachment issues and the USFWS is no longer interested in entering in to any real estate deals with Stillwater Farms. Where the government receives a service they are authorized to pay for it. They do not pay assessments based on property ownership. The language in 101618 reflects this on the issue. Customary and reasonable fees for operations and maintenance will also be paid.

The 1996 Final Environmental Impact Statement is the document the USFWS still operates under today.

The USFWS is looking to do a water quality study with the USGS. USFWS has not looked into water quality issues for approximately the past 20-years. It is important to look at this with the increases in effluent and changes in development. The USFWS will focus on water that reaches the refuge. Richard will come to the District when he has a draft project proposal from the USGS. There will be more discussion at that time. He is not looking for significant funding from the District but thinks that they should think about contributing to the study as this is an important issue for the District, as well.

Bureau of Reclamation – Lahontan Basin Area Office Representative(s)

Kenneth Parr reported that Walter and Rusty are walking the canal between the TC-T1 and TC-T2 adjacent to the Frostick property where water is ponding. It is being inspected to try and determine where it is coming from. If it is not determined to an old take-out then a representative of the water master will come out to determine if there is a possible line that is broken somewhere.

Yesterday was the monthly management meeting. A water conservation grant has been provided to the District for automation. Kenneth looks forward to working with the District in hopes to secure future grants.

The Bureau is waiting for the filter blanket design to repair the Steam Pad Seep. The engineers are on standby to begin reviewing the plans upon submission. The Railroad Seep sandblasting has begun to prepare the site for filling of voids with foam followed by the AquaLastic product.

The final signature was provided to the City of Fallon, yesterday, on the effluent agreement. The effluent from the City treatment plant is now permitted to flow through the Project drain eventually making it through to the refuge.

Director Stix stated that there are crews currently working on the two new seep sites. Kenneth is looking forward to resuming flows Saturday night into the canal under the standard ramping rate that has been agreed to.

NEW BUSINESS

Consideration/Possible Action:

1) E.H. Hursh Insurance Proposal for Renewals – Fred Rogne

- **Worker’s Compensation**

Last year the policy was with ICW which gave TCID a 60-day notice of cancellation once they learned of the confined space issues that the District takes part in at the Lahontan Dam Tower. Not all insurance programs will be interested in that kind of risk. The issue is not necessarily the confined space as it is the depth and it is considered to be underground. Last years premium with ICW was \$32,828.00. The Board discussed hiring a private contractor to provide the annual confined space inspections rather than do it themselves. Repair work would also have to be contracted out. The only alternative is to go with the National Council & Compensation, Inc. There will be a \$20,000.00 increase over last year.

A **motion** was made by **Director Dave Stix** to authorize staff to research alternatives rather than using TCID staff to conduct the confined space inspection, utilizing both the Bureau and the private sector. If staff is unable to save the District money of the increase in the premium, to authorize staff to sign the current renewal if no other option is acceptable by July 1, 2012, seconded by **Director Eric Olsen**, board requested public comment, and the motion was unanimously approved.

- **Commercial General Liability Renewal Proposal**

The company will remain as Lexington Ins. Co. and the renewal limits will remain the same. Defense costs remain outside the limit. The premium is \$260,405.00, which is a slight increase from last year due to an increase in payroll, in addition to an increase levied by the company. The total increase will be \$33,382.00. There is a broker fee and surplus line taxes.

Lexington Ins. Co. quoted the following premium:

Advanced and Annual Minimum:	\$260,402
Broker Fee:	\$8,000
SL Tax:	\$9,114.18
SL Tax:	\$1,041.62
TOTAL:	\$278,560.80

- **Excess Commercial Liability**

Lexington Ins. Co. quoted the following premiums:

	\$1mm	\$5mm	\$10mm
Annual Premium:	\$87,250	\$196,315	\$255,200
Broker Fee:	\$1,750	\$2,500	\$3,000
SL Tax:	\$3,115	\$6,958.53	\$6,959.53
SL Tax:	<u>\$356</u>	<u>\$120.57</u>	<u>\$795.26</u>
TOTAL:	\$92,471	\$205,894.10	\$265,953.79

- **Public Entity Liability**

Ace Municipal Advantage quoted the following premium:

\$1mm liability for each claim:	\$10,760.00
Broker Fee:	\$350.00
SL Tax:	\$433.29
TOTAL PREMIUM:	\$11,543.30

This year's quote is \$5,238.00 lower than the previous term.

- **Auto, Equipment and Property Coverage**

This is all packaged under Nevada Capital Insurance. The premium is up due to the replacement of two older vehicles with two new vehicles and the addition of four new pieces of equipment. The total value of all of the equipment is approximately \$300,000.00. There is no rate increase.

A **motion** was made by **Director Dave Stix** to approve the General Liability, Public Entity and Auto, Equipment and Property Insurance renewals but no Excess Commercial Liability

at this seconded by **Director Eric Olsen**, board requested public comment, and the motion was unanimously approved.

RECESS

A **motion** was made by **Director Bob Oakden** to go into recess for litigation at 11:38 a.m. seconded by **Director Dave Stix** and the motion was unanimously approved.

The Board Reconvened at 1:15 p.m.

NEW BUSINESS continued.....

2) **TCID Federal Tax Status**

The Board was provided with an information letter from the IRS regarding the TCID Federal Tax Status.

3) **Agreement with "Critter Control" of Reno for provision of Beaver/Muskrat removal on the Truckee Canal**

The proposal for services for one year totals \$38,700.00 at \$3,225.00 per month. TCID has asked the Bureau if they would consider allowing TCID to perform the removal of beavers and muskrat on their own. TCID would place the live traps in the same fashion as Critter Control has provided. Debbie Sherman, Herbicide Specialist, will be the one to perform the live catch trapping. **President Schank** has always been opposed to TCID performing the trapping due to litigation concerns. Should TCID do the trapping, photographic evidence will need to be provided to the Bureau. This will require a trapping license, as well.

Rusty will come up with a proposal and look for a licensed trapper to perform the service. The Critter Control contract is up at the end of June, 2012. A new rodent control plan must be submitted to the Bureau should TCID decide not to use Critter Control.

A **motion** was made by **Director Eric Olsen** to approve staff to research other options for a rodent control program and provide a plan to submit to the Bureau of Reclamation seconded by **Director Lester deBraga** and the motion was unanimously approved. No public present for comment.

4) **Pursuit of Funding with which to Pursue Objects of Bond Election of 2011, Including Design/Construction of V-Line Canal Wasteway Structure and Repair to Donner Dam**

Rusty has spoken with Marty Johnson of JNA Consulting. He suggested that TCID should, if able, to access the state bond bank for a better interest rate. TCID would go through the same process as necessary for the original bond.

5) **Approval of Fiscal Year 2012-2013 District Budget**

This will be addressed at the next regular session board meeting.

6) **Truckee Canal Seeps**

OLD BUSINESS

1) **Consideration/Possible Action: Closed Session Litigation Meeting**

2) **Consideration/Possible Action: Authorization by the Board of Directors directing legal counsel, for the Truckee-Carson Irrigation District (District) to do or assert, or to make application for, or to do or perform such other act or acts, duty or duties, as is/are/or may be necessary, as to any/all lawsuits now pending or threatened in which the District is or may be a party, in the Courts of the State of Nevada, or of the United States of America, consisting of the advancement, cessation, or dismissal, or settlement thereof, any/all case(s), claim(s), defenses(s), immunity(ies), remedy(ies) at law or in equity, entitlement(s), negotiations(s), protection(s), right(s) or the waiver(s) thereof, resolution(s), or dismissal(s), existing under, or accruing from, applicable state or federal rule or law, in any such pending or threatened litigation, including, without limitation, the breach of the Truckee Canal at Fernley, Nevada, in January, 2008.**

Possible Recess to Convene Attorney/Client Consultation

3) **Re-Evaluate Water Allocations**

This item will be addressed when sufficient information is available.

Consideration/Possible Action: Director’s Compensation

Ernest C. Schank	\$200.00
Dave Stix	\$314.00
Bob Oakden	\$160.00
Lester deBraga	\$195.00
Eric Olsen	\$120.00
Joe Gomes	\$0.00
Wade Workman	\$80.00

A **motion** was made by **Director Bob Oakden** to approve payment of the Directors Compensation for the month of May, 2012 seconded by **Director Eric Olsen**, and the motion was unanimously approved. No public present for comment.

Committee Reports

O&M Committee Recommendations

Director Dave Stix, Committee Chair, reported the following:

USFWS was not represented at this meeting.	
1. <u>Review Accident/Incident Reports and Damage Claims</u> No Board Action Required.	Accident reported on 5/9/12 by Charles Moyle. Damage was done to the rear driver’s side tail light and bumper on truck #36. Because the damage was believed to be more than \$500 a drug and alcohol test was performed on the driver of the

	vehicle.
2. <u>Review Conservation Work Orders Balance Sheets for April 2012</u> No Board Action Required.	The committee reviewed the Conservation Work Orders report for the month of April. We have used 99.03% of the Conservation budget and we have almost completed the work for the new meters.
3. <u>Review Specifications with Pumps on the Truckee Canal</u> No Board Action Required.	Drawings and specifications have been submitted to Reclamation and they are currently being reviewed in the Sacramento office. Pipelines that were not removed during construction can still be used. TCID will install the lines for the pumps that were removed by A&K during construction in accordance with the new specifications approved by Reclamation. This item will need to be put on the agenda for the Policy Committee.
4. <u>Review Adjustment Forms – Sam Hiibel</u> No Board Action Required.	Mr. Hiibel was present. He would like to have an adjustment based on a staff gauge reading. He doesn't trust the water measurement device. Davy explained that the District is required to measure water as accurately as possible and the measurement devices protect both the water user and the District. Joe suggested that Mr. Hiibel be present when Dave Watkins checks the meter for zero, so that he will have a better understanding of how the water meters work. Mr. Hiibel distributed his past records that showed that he has never taken 26 cfs. Walter would like Mr. Hiibel to provide more information on the adjustment forms such as acreage and shut off and turn off times. He needs that information so that he can understand why Mr. Hiibel needs an adjustment. Mr. Hiibel would like the losses calculated on his deliveries on the L8. Walter said that would be easy and that he would check with Kelly about a good time to do that.
5. <u>Review Application for piping of Branch of the Cabin Drain – Frey Ranch</u> No Board Action Required.	Walter briefed the board about what the Frey's were going to do. They have submitted the application to Reclamation and things have been set in motion.
6. <u>Review Water Delivery to Reservations Wetlands – Willie Steve</u> No Board Action Required.	Willie Steve, the Wetlands Manager for the FPST wetlands, was present to discuss with the committee some operational issues they were having. The tribe has installed a meter to measure the flows into the wetlands and he is concerned about the inconsistency in the flows. He understands that he can't have a consistent 5cfs flow, but it is the flows of 26cfs that is causing problems. When the flows become too large he is dealing with flood conditions and would rather not have to do that. He also would like some help from the ditchriders. He frequently has to scrounge up boards to place in a structure so that he can irrigate. He doesn't mind

	<p>setting the boards he would just like boards to be there.</p> <p>Walter stated that he will get the boards for the tribe and install a box if necessary so they don't disappear. He also stated that ordering 5cfs for 240 hours is very difficult to maintain consistency but they can try and do something about the excess flows. Willie asked that if their meter disagrees with our delivery records, could he file for an adjustment.</p>
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Related Matters

Branch 2 of the LD Drain will be bladed to avoid the issues that occurred last year. Davy asked if NDOW at Carson Lake Pasture has been taken care of.

Davy asked that the office be patient with the Fernley water users as they want to be kept informed about when to expect deliveries. He suggested that we make another Press Release.

Bob has been talking to Albaugh about the D1-T6 and a leaky box. Bob asked that a railing be put on the D1-C6. There are also ditches that need to be cleared of tumbleweeds. Walter stated that anybody that calls about issues will be put on the Trouble call list. Work orders are opened and distributed ASAP to be resolved.

Nobody is allowed on the structures of the Truckee Canal unless authorized by the ditchrider.

No Board Action Required. No Public was present.

In the Field

The committee did not go into the field today.

General Public Comment

ADJOURN

A **motion** was made by **Director Lester deBraga** to adjourn the meeting at 2:21 p.m. subject to the call of the chair seconded by **Director Dave Stix**, and the motion was unanimously approved.

Ernest C. Schank, President

Bob Oakden, Secretary

July 9, 2012

Date