

Minutes of the Board Meeting of the
TRUCKEE-CARSON IRRIGATION DISTRICT
Regular Session
JULY 9, 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 **Monday, July 9, 2012**.

Call to Order, Roll Call, Pledge of Allegiance

President, Ernest C. Schank called the meeting to order at 9:05 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
	Joe Gomes	Director
	Wade Workman	Director- Excused

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

Guests

Steve Puterski
Dwight Orton
Rod Windle
Kenneth Parr
Bill Henry
Nancy Hoffman
Willie Steve

Representing

Lahontan Valley News
FHTC
FHTC
USBOR
USFWS-Stillwater
USFWS-Stillwater
FPST-Wetlands

CALL TO ORDER

The **Pledge of Allegiance** was led by **Director Joe Gomes**.

Approval of Agenda

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

General Public Comment

Rod Windle, FHTC spoke about the success of the July 4th event in Fernley showcasing the TCID Mobile Museum. It was surprising to find out just how many people did not know where their

water comes from. The group gave away promotional items highlighting the Truckee Canal. They have also asked for the use of the museum at this year's Ag Expo. Rod has asked that TCID attach the magnetic bumper signs to District vehicles. This will be addressed at the next regular session Board meeting.

Approval of Prior Meeting(s) Minutes

A **motion** was made by **Director Bob Oakden** to approve the Regular Session Meeting Minutes of June 7, 2012 seconded by **Director Lester deBraga**, board requested public comment, and the motion was unanimously approved.

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

Director deBraga commended staff for meeting the budget on wages and salaries. They have also met the mark on the hydro budget. The District General is approximately \$188,000 short yet with the O&M assessment revenue the budget is over \$202,000, and it is thought that some of the District General had been put into the O&M. This discovery would put both accounts on budget.

There has been \$2.619mm drawn from the loan from First Independent Bank leaving a balance of approximately \$300,000. The total cost of the Truckee Canal Rehabilitation Project was \$3.573mm with \$954,000 having been paid out-of-pocket by TCID. The A&K Earthmovers bid for the project was \$2.491mm and the actual amount billed to TCID was \$2.592mm, which is \$101,000 in change orders. There was \$607,000 in engineering fees causing the project to run over budget. The Bureau charged TCID \$40,000 in engineering fees and has returned \$19,000 of that money.

Expenditures used from the conservation fund have not yet been moved. It was previously approved and this money will be moved immediately.

A **motion** was made by **Director Lester deBraga** to approve the Treasurer's Report; make use of the District General funds to offset what TCID has paid out-of-pocket already for the Truckee Canal Rehabilitation Project with the exception of the \$1 per acre that has been appropriated to the Lewis Spill project and to pay the May disbursements with checks 30328-30386 seconded by **Director Joe Gomes**, board requested public comment and the motion was unanimously approved.

Rusty thanked Helen-Marie, finance, Lester deBraga, Treasurer, and Eric Olsen for their dedication to the TCID budget and keeping the District on track.

Employee Recognition Awards

- **Dave Watkins.** Dave was celebrated for having serviced the District for 30-years today. Dave received a District pin, certificate of recognition and great gratitude from the Board. Dave's family attended the presentation and he introduced them to the Board.
- **President Schank** thanked Dave's family for supporting him in his employment for TCID.

- **Rusty Jardine, District Manager**, thanked Dave on behalf of the District. Dave is an incredible asset to the District on behalf of the water users. He does his job of meter technician better than anyone and he is very good at what he does.
 - **Walter Winder, Deputy District Manager**, stated that Dave is used as an example, nation wide, by leaders in water measurement at ITRC, the Irrigation Training and Research Center at Cal Poly University in California, by Dr. Stuart Styles and Charles Burt, as they travel the world teaching how to measure water and the things that Dave does on a daily basis. He is used as their example when they speak.
 - **Kate Rutan, Office Manager**, stated that she has worked with Dave Watkins since she began at TCID. She finds him to be more than just an expert in his field of water measurement. He is a model to all other employees as to his ethics, honesty and integrity, which in itself, says a lot about the person.
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- **Brian Baley, Ditch Rider**, was not present to receive his 25-year recognition award.

Review of District Matters with District Manager and Supervisors

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

Rusty reported that the phase one of the trial regarding the breach litigation has concluded with the presentation of evidence as of last week. The jury is out.

• **Kate Rutan, Office Manager**

Kate reported that she has met with Tom Scott of the Bureau to discuss the MAD calculations. She has calculated correctly and was shown a chart representing the last ten years. There has been a decline in the number of irrigated acres except for last year, which was the first year that the irrigated acres increased. There usually is a difference in the irrigated acreage shown by the District and by the Bureau. This years MAD is 100 acre feet below what Kate calculated as of March 1, 2012. This did not include any of the transfers. According to OCAP, the MAD should significantly exceed demand for the District. She continues to research this and will resubmit her findings to the Bureau as of today.

Kate submitted the Annual Operating Plan in May, 2012. The Bureau sent her comments and she has revised the plan as of today.

• **Mark Solinski, Hydro Foreman**

Mark reported the following:

Location	KWs
26' Drop	720
New Power Plant	3300
Old Power Plant	1100
TOTAL:	5,120 KW

Mark reported that he is bringing 780 AF out of the dam. He lost a transformer at the new plant at the beginning of this month and it has since been repaired. The level of the reservoir is only now beginning to effect power generation.

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

Walter reported the following water storage levels data:

Lahontan Elevation	4,142.37	Feet
Lahontan Storage	130,300	Acre Feet
Lahontan Out Flow	762	CFS
Carson River Flow At Fort Churchill	2.2	CFS
Truckee River Flow At Vista	371	CFS
Truckee Canal Flow At Wadsworth	123	CFS
Truckee Canal At Hazen (Bango)	25	CFS
Truckee River Below Derby Dam	179	CFS
Spilling At Gilpin Approximately	0	CFS

Diverted Last Month	<u>41,869</u>	AF
Delivered Last Month:	<u>30,141.52</u>	AF
Efficiency Last Month:	<u>72*</u>	%
Year To Date Diverted:	<u>113,163</u>	AF
Year To Date Delivered:	<u>71,685</u>	AF
Year To Date Efficiency:	<u>63.3</u>	%

★ Subject to Bureau of Reclamation review and adjustment.

Walter reported that Lahontan storage is dropping approximately 1,500 AF per day. He reported on seeps around the District. The Steam Pad Seep has been completely repaired. The Ricci Lane Seep has been repaired with a gravel blanket. The Railroad Seep has been repaired. Matheson Painting treated approximately 400-ft. Residents of the Fernley area are helping to an eye on the canal. The Clay Break Seep continues to produce water daily. The Derby Reach continues to seep. It was cleaned in the winter of 2006. Cleaning has been done all the way through the Fernley Reach into the Lahontan Reach. The cleaning has aggravated seepage to a large extent. This will slow as the soil is re-saturated.

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

Bill Henry introduced the new Project Leader for the USFWS Stillwater Refuge, **Nancy Hoffman**. She came down from Alaska and has been here for about two weeks.

Bill stated that there is only 26 AF coming down the Truckee Canal at Hazen and would like to know if anymore water will be getting into Lahontan Reservoir. Walter Winder stated that he anticipates no change. The 90% allocation will not be increased. The Newlands Project is an irrigation system designed for agriculture with most of the larger ditches upstream of the refuge. As USFWS has purchased water they have called on large amounts of water, at times creating difficulty, as the system was designed for agricultural irrigation only, initially. There are now continually standing orders which has eased the stress on the system.

President Schank would like to conduct a tour of the Truckee Canal and the Newlands Project to help educate Nancy Hoffman on how the project works.

Walter reviewed the USGS site showing the respective flows affecting the project.

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

Kenneth Parr stated that he is looking forward to hearing from Rusty regarding setting an after action review exercise on the Truckee Canal Rehabilitation Project. There will be a Bureau engineer from their regional office to facilitate a discussion between the District and the Bureau to go through an after action discussion. They will discuss what went well and what did not go so well. It will allow an opportunity for both sides to address issues associated with the project. The largest positive that came out of the project was the Bureau and the District working well together for a common goal with the District in the lead. In the future, TCID will receive a one-time, on-the-house review, from Reclamation. After that, when there is some going back and forth, Reclamation will then begin to recoup their costs from TCID.

Kenneth stated that after attending the Truckee Canal Breach Trial of last week, he felt that Reclamation was on trial, as well. It seems as though Reclamation was being pitted against the District and that that was unfortunate. **Director Olsen** stated that he had mentioned to Kenneth that it was unfortunate the two agencies have been pitted against each other but that we should not let that deteriorate the relationship from this point forward. Take it merely as professional and not personal.

Kenneth stated that Reclamation is working on a response to the District's efficiency credit inquiry.

3. Water Card Reporting for the Fallon Paiute Shoshone Tribe – Willie Steve, Wetlands Manager

Willie Steve, Fallon Paiute Shoshone Tribe Wetlands Manager, reported that his main concern is with the inconsistency in reporting. They are receiving an abundance of water topping out at approximately 20 CFS, which is very high when the desired CFS is 5 CFS. Most of the duration of the water order, it runs high. Consistency is hard to maintain due to upstream water users and other factors. He feels that there is a lack of communication with the ditch riders amongst themselves to maintain the desired consistent 5 CFS. The very maximum they can run is under 15 CFS and they would not like an abundance of water all at once.

Local tribal farmers would like to address the fact there are no sufficient splash boards available. **President Schank** stated that this is a District Wide issue and it is being addressed. The ditch riders have been informed that they are not to have the water users move or retrieve boards themselves.

Mr. Steve asked what the priority is when placing an order. The priority is new seeding and corn. When the order is placed a comment should be made as whether it is new seeding, corn or any other special instructions.

The final issue refers to a breach that occurred on June 16, 2012. It was between the Paiute Drain and the wetlands. He spoke to Walter about whether it was up to TCID or the responsibility of the wetlands to repair. He would like the District to draft a letter stating that the wetlands could proceed with the repair. Walter stated that he would visit the site tomorrow to determine how to proceed. If it a District facility, then the District will repair it.

RECESS

A **motion** was made by **Director Dave Stix** to recess 11:17 a.m. seconded by **Director Lester deBraga** and the motion was unanimously approved.

The Board Reconvened at 12:57 p.m.

NEW BUSINESS

Consideration/Possible Action:

1) **Concrete Bids – Opening and Selection of Vendor**

Company	5 Sack	5.5 Sack	6 Sack	Comments
Great Basin				
BLT Ready Mix - Fernley	\$91	\$94	\$97	Monday – Saturday. 15 mile radius of Fallon; 7 mile radius of Fernley. Fuel Surcharge.
Hiskett & Sons (15 mile radius from Fallon)	\$86	\$90.80	\$95.55	2 Yard minimum.
Mackedon & Sons (Fallon)	\$83	\$87	\$90	No Fuel Surcharge.
3D Concrete Fallon	\$110.50	\$113.00	\$115.50	6% Fuel Surcharge. None if fuel charges fall.
Fernley	\$90.50	\$93	\$95.50	6% Fuel Surcharge. None if fuel charges fall.

A **motion** was made by **Director Lester deBraga** to allow management to award the concrete bid for 2012-2013 seconded by **Director Eric Olsen**, board requested public comment, and the motion was unanimously approved.

2) **RESOLUTION – Authorizing Signature of TCID for Truckee Canal Measuring Devices Agreement with the Bureau of Reclamation**

There was a brief discussion on how the District could find better ways to save money on the next construction project in relation to engineering costs. Change orders should be one of the only additional costs associated with construction projects, specifically engineering. Kenneth suggested pre-design and pre-construction meetings be held on large projects in the future. Kenneth Parr would also like to address this at the “after completion” meeting to be held with the Bureau, TCID and engineers from both sides. This meeting will be held in mid to late August.

A **motion** was made by **Director Dave Stix** to approve RESOLUTION 2012-10 Authorizing the President of the Board of Directors to Execute the Letter of Agreement to Contract 7-07-X0348 – Operations and Maintenance of the Truckee Canal Lateral Measurement Devices

with the Bureau of Reclamation seconded by **Director Bob Oakden**, board requested public comment, and the motion was approved by 6 ayes, zero abstentions with 1 absent, Director Wade Workman.

3) **Churchill County Museum Assoc. Loan Agreement**

The Board would like to know what is in inventory in the museum on loan from TCID. Rusty and President Schank will make a visit to the museum to view for themselves prior to signing the loan agreement.

A **motion** was made by **Director Eric Olsen** authorizing **President Ernie Schank** to sign the Churchill County Museum Assoc. Loan Agreement after first viewing the District inventory at the museum seconded by **Director Lester deBraga**, board requested public comment, and the motion was unanimously approved.

4) **ADDENDUM to Agreement with the City of Fernley in Resolution of Claims**

This item has only refers to Operations and Maintenance fees and has nothing to do with the District General.

A **motion** was made by **Director Dave Stix** to approve Addenda B to the Settlement and Mutual Release entered into by TCID and the City of Fernley seconded by **Director Bob Oakden**, board requested public comment, and the motion was unanimously approved.

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

The Fiscal Year 2012-2012 District Budget will be reviewed by the Finance Dept. and Treasurer prior to making a report to the Board.

A **motion** was made by **Director/Treasurer Lester deBraga** to continue to work under the present District Budget until such time as the new budget is approved by the Board seconded by **Director Joe Gomes**, board requested public comment, and the motion was unanimously approved.

6) **Truckee Canal Seeps**

This item has been discussed previously in Walter Winder's report.

7) **Letter of Support for Replacement of Federal Water Master**

The current Federal Water Master, Garry Stone, has filed for retirement. Chad Blanchard has been selected as the Interim Water Master. Rusty and Walter have enjoyed working with Chad for some time. Rusty would like to see the Board present a letter of support in favor of Chad Blanchard being appointed the permanent Federal Water Master.

President Schank suggested that the Board also submit a letter to the court commending the on their selection of the Interim Water Master, Chad Blanchett, and suggest that the Mr. Blanchett be nominated as permanent Federal Water Master. He would also like the Board to write a letter of gratitude to Garry Stone, the retiring Federal Water Master for his service.

Kenneth Parr, Bureau of Reclamation, state that Jeff Boyer, Administrator to the Truckee River Operating Agreement, will also be applying for the position.

A **motion** was made by **Director Eric Olsen** to approve a letter commending the court for their selection of the Interim Federal Water Master, Chad Blanchett, and that the Board nominate Chad Blanchett for permanent appointment in that position, along with a letter of gratitude to Mr. Garry Stone for his service in his term of Federal Water Master seconded by **Director Joe Gomes**, board requested public comment, and the motion was unanimously approved.

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	\$496.53
Dave Stix	\$197.00
Bob Oakden	\$180.00
Lester deBraga	\$130.00
Eric Olsen	\$90.00
Joe Gomes	\$0.00
Wade Workman	\$0.00

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

O&M Committee Recommendations

No meeting held in June, 2012.

Committee Reports

- **Revenue Committee**

Rusty informed **Director Eric Olsen, Committee Chair** that he and Kate would be meeting with Jim Harris of UpStar Energy at 10:00 a.m. on July 10, 2012. They will be touring the District hydro facilities to see if there are any types of upgrades, efficiency issues and what TCID can do to get more money out the facilities.

General Public Comment

ADJOURN

A **motion** was made by **Director Dave Stix** to adjourn the meeting at 1:11 p.m. subject to the call of the chair seconded by **Director Joe Gomes**, and the motion was unanimously approved.

Ernest C. Schank, President

Bob Oakden, Secretary

August 7, 2012

Date