

Minutes of the Board Meeting of the
TRUCKEE-CARSON IRRIGATION DISTRICT
Regular Session
DECEMBER 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 **Friday, December 7, 2012.**

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

Vice President, David Stix, Jr. called the meeting to order at 9:11 a.m. in compliance with NRS Chapter 241. The following Directors were present constituting a quorum:

Present:	Ernest C. Schank Dave Stix, Jr. Bob Oakden Lester deBraga Eric Olsen Joe Gomes Wade Workman	President Vice President/Director Secretary/Director Treasurer/Director Director-Arrived Director Director
Others Present:	Rusty Jardine Walter Winder Kate Rutan Paula Utter	District Manager, General Counsel-Excused at 12:15 p.m. O&M Foreman, Deputy District Manager Assistant Secretary/Office Manager Board Secretary

Guests	Representing
Steve Puterski	Lahontan Valley News
Nancy Hoffman	USFWS
Terri Pereira	Churchill County
Michael Johnson	Churchill County
Huong Thai	New York Life
Jim Sundquist	New York Life
Lee Berget	Bureau of Reclamation
Kenneth Parr	Bureau of Reclamation
Rod Windle	FHTC
Dwight Orton	FHTC

The following Agenda items are not necessarily in the order they were heard or decided but in the order as approved on the agenda.

Pledge of Allegiance was led by Paula K. Utter.

General Public Comment

Terri Pereira, Associate Planner, Churchill County Planning, attended to introduce the new Churchill County Planning Director, Michael Johnson, who has been hired to replace Eleanor

Lockwood who has been promoted to Churchill County Manager. Mr. Johnson invited the Board to come by and talk with him as he begins in his new position.

Approval of Agenda

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

Approval of Prior Meeting(s) Minutes

President Schank thanked Director Dave Stix for taking over as Chair for the November, 2012 Board Meeting.

A **motion** was made by **Director Eric Olsen** to approve the Regular Session Board Meeting Minutes of November, 2012 seconded by **Director Wade Workman**, board requested public comment, and the motion was approved by a vote of 6-1 with **President Schank** abstaining from the vote as he was not in attendance for the November meeting.

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

A **motion** was made by **Director Lester deBraga** to approve the Treasurer’s Report and a transfer in the amount of \$157,664 from the LGIP account to the general account for payment of the bills with check nos. 30832-30911, seconded by **Director Joe Gomes**, board requested public comment, and the motion was unanimously approved.

Review of District Matters with District Manager and Supervisors

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

Rusty stated that Judge George has entered his Order appointing the new Federal Water Master. He stated in the Order that Chad Blanchard is hereby appointed Federal Water Master effective Monday, December 10, 2012, to administer the final decree heretofore in the actions entitled above as the Orr Ditch Decree and Alpine Decree governing the distribution of water to the Truckee River, it’s tributaries and the Carson River and it’s tributaries. Congratulations, Chad!

- **Kate Rutan, Office Manager**

Kate reviewed the new access computer program created by Michelle Spero, via conference call with Michelle. Phase I is the also preparation of the website to enable interaction with the water program. Michelle has been working with the Bureau, as well; to make sure TCID’s reporting capabilities meet the Bureau’s requirements. The testing phase will be done in January, 2013. Michelle expects to spend an additional 150 hours for completing development, testing and documentation, plus 40 hours for a go-live and post implementation support. She has capped her rate for TCID at \$75 per hour and requests that TCID incur the cost of her two on-site visits.

Phase II is the integration of the program on the website which will allow water users to interact with the program data. They will be able to check water card balances, deliver schedules and place orders.

• **Mark Solinski, Hydro Foreman**

Mark reported the Lahontan Tower inspection has been completed. He has pulled all the bearings at the Old Power Plant and all is well. Sandblasting will begin next week at the New Power Plant. The wicket gates will also be touched up. The breaker maintenance has been scheduled for after the first of the year.

The Board will be touring the power plants and Lahontan Dam Tower on the February 7, 2013 Board Meeting along with the Bureau. Rusty thanked Mark for taking on the responsibility of running the power plants and he is doing an excellent job.

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

Walter reported the following water storage levels data:

Lahontan Elevation	4,640	Feet
Lahontan Storage	41,570	Acre Feet
Lahontan Out Flow	8.2	CFS
Carson River Flow At Fort Churchill	648	CFS
Truckee River Flow At Vista	1,210	CFS
Truckee Canal Flow At Wadsworth	980	CFS
Truckee Canal At Hazen (Bango)	295	CFS
Truckee River Below Derby Dam	947	CFS
Spilling At Gilpin Approximately	25	CFS

★ Efficiencies for October were 71.5% and 107.8% for November. Year to Date for 2012: 69.3%.

★Subject to Bureau of Reclamation review and adjustment.

There have been several high water events recently. He thanked the people at NOAH for watching the forecasts and keeping TCID up to date on any possible weather events. Recently they predicted some very high flows for the Reno area and plans were made for possible flooding in the Sparks industrial area and any other areas that would need to be on alert should an event occur. Walter met with several members of the group at Derby Dam when it began to snow at Boca Reservoir. The rain then turned to snow and the possibility of an event lessened. Everyone had taken preventative measures and were ready should that not have been the case.

Kenneth Parr, Bureau, thanked Walter and his team for all the time they put in to being prepared should an event had occurred.

An emergency tabletop exercise for Lahontan Dam was held on November 28, 2012 with the Bureau, Walter Winder, Kate Rutan, Rusty Jardine, NAS Fallon, Churchill County and the City of Fallon. There were scenarios of different flood events that could take place and a terrorist event. The exercise was to see how the emergency teams would function in such events. This type of exercise is to be renewed on three year intervals. At the same time of the exercise, information was coming in on the possible high water event in the coming

weekend allowing the group to put it to work with real data. Kenneth stated that should an event occur, all roads out of Fallon would be blocked, so that is something that must be prepared for.

There is quite a bit of work going on in Fernley. The TC11 and TC1 ramp flumes have been completed. The TC2 ramp flume will be completed in several days. There are several structures on the Fallon reservation on the R9 that are currently being worked on.

Director Stix asked Walter if he had a plan for work on the access gates for canal easements in Fernley. They are still having problems with ATV's speeding up and down the canal banks. **Walter** stated that cost is an issue. There will be discussion whether or not this will be a component of the budget or if the District will be asking for some sort of repayment.

APPOINTMENTS

1. New York Life Presentation-Jim Sundquist and Huong Thai

Mr. Sundquist and Ms. Thai gave a brief presentation offering TCID employees the opportunity to purchase term or whole life policies with an automatic payroll deduction for the policies in an amount selected by the employee. They will be able to offer long-term and disability insurance in the future.

A **motion** was made by **Director Eric Olsen** to accept the New York Life process and approach TCID employees with their offer seconded by **Director Joe Gomes**, board requested public comment, and the motion was unanimously approved.

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

Nancy Hoffman reported on her recent tour of the Project with Walter which began at Derby Dam and worked its way down to Lahontan Reservoir and the Power Plants.

She reported on the refuge winter water management plan. She gets the feeling that not everyone is on the same page when it comes to the water management. **President Schank** stated that a meeting should be scheduled to include Chad Blanchard, Federal Water Master, Kenneth Parr, and Bureau of Reclamation. The meeting will be a review of the rules for water management, etc.

President Schank commented on the winter water. The reason for meeting with the Federal Water Master and the Bureau is that there is a dilemma comes with pre-project water rights that are owned below Sagouspi Dam, prior to the Newlands Project. There are also other water rights below Sagouspi Dam that are post Newlands Project. The United States had to get more than a significant number of those who were pre-project water rights owners to sign contracts to become members of the Newlands Project. This was to ensure that their, which is what the government had to have, could be stored in Lahontan Reservoir. This extended the water season from April or March to the middle of June, to the middle of November. Most of the water users were eager to sign on. Many of the larger users, such as the Kent's and the Freeman's, knowing that the government needed their water, that they could get a better

deal than most of those individuals who had vested rights. There were several users who held off, such as the Smart's of the Smart District. This was the last hold out in this valley. These water rights were transferred to Lahontan Reservoir. The question will be, "what responsibility does the District have to supply water to those below Sagouspi Dam predicated on what is running in the Carson River?" We also know that, as long as water is within the District's system, it has a right to use it. These are the reasons President believes this meeting should take place prior to meeting with those users below Sagouspi Dam.

3. Bureau of Reclamation – Lahontan Basin Area Office Representative(s) – General Updates

Kenneth thanked the District for their efforts in compliance and is very pleased to see that they have taken the initiative to get certified for such things as the confined space training. He also stated that they are moving forward with the integrated pest management plan in the development of the master plan which will play a key role in Safe Flow Analysis. There will be a panel consisting of individuals from the Bureau's Denver and Sacramento offices for this analysis. In March after the 2008 canal breach Reclamation authorized a resumption of flow starting at 150 cfs with conditions to be met to go to 250 cfs and then 350 cfs. One of the conditions is that within a five year period of March, 2008, there would be a re-evaluation of the safe flow of water in the Truckee Canal.

The draft Planning Study Report will be out for review by the public in mid-January. Public meetings will follow to receive comments in Fernley, Fallon and Nixon. Rusty will be attending these meetings along with Kenneth.

Recoupment activity will be handled through federal court. Recoupment of water foregone is an issue due to construction activity in the Fernley Reach.

Under the responsibility under OCAP to get an Incentive Credit Letter out to all the OCAP parties will be going out by end of business December 10, 2012. There is 10,477 AF of possible incentive credits to the District for 2008-2010.

The District will have a letter forthcoming to the Bureau next week regarding the visit in San Diego with Mr. Don Glasier regarding the outcome of that meeting and the incentive credits of 2008-2010.

Director Stix reported on the request from the Fernley Fire Department for funds for swift water rescue gear and asked the Bureau if they have had any experience of this type. Terri Edwards was to look into this issue and report back. Kenneth will discuss this with Terri and let the Board know what he finds out.

Kenneth told the Board that Don Glasier will be leaving the Sacramento office on to the Denver office on December 16, 2012 where he will be Special Assistant to the Commissioner. David Marillo will be the new acting Director taking over in Sacramento on December 17, 2012 and will actually be in Sacramento beginning January 2, 2013. Any appointments for the District to introduce themselves to Mr. Marillo can be made through Lisa Nevarro at 916-978-5000.

Director deBraga asked where the Bureau is on an answer to the request to increase the number of cattle for grazing in the Carson Lake Pasture. There have been several requests put to the Bureau that have not yet received a response. Walter stated that Elmer Bull of the Reno NDOW office is working on this and will continue to do so.

4. Fallon Paiute Shoshone Tribe Representative(s) - General Updates

Not in attendance.

RECESS

A **motion** was made by **Director Dave Stix** to recess for lunch at 11:38 a.m. seconded by **Director Joe Gomes** and the motion was unanimously approved.

The Board reconvened at 1:22 p.m.

NEW BUSINESS

Consideration/Possible Action:

1. **Addendum to Settlement Agreement of Administrative Claims with the City of Fernley Relating to the Fernley Breach of 2008**

A **motion** was made by **Director Bob Oakden** to accept Addendum C to Settlement Agreement of Administrative Claims with the City of Fernley Relating to the Fernley Breach of 2008 seconded by **Director Dave Stix**, board requested public comment, and the motion was unanimously approved.

2. **Record Retention Policy**

This item will be addressed at a later date.

3. **Approval for Staff to locate, negotiate for, and to purchase, from a sole source equipment vendor or otherwise, a used 10-Wheel dump Truck in an amount not to exceed \$25,000**

A **motion** was made by **Director Dave Stix** to approve Staff to locate, negotiate for, and to purchase, from a sole source equipment vendor or otherwise, a used 10-Wheel dump Truck in an amount not to exceed \$25,000 seconded by **Director Eric Olsen**, board requested public comment, and the motion was unanimously approved.

4. **Carson Lake and Pasture Grazing Agreement Contract No. 13-LC-20-0231 between the Bureau of Reclamation**

A **motion** was made by **Director Lester deBraga** to approve the Carson Lake and Pasture Grazing Agreement Contract No. 13-LC-20-0231 between the Bureau of Reclamation and the TCID Board of Directors and noted by the Department of Wildlife seconded by **Director Bob Oakden**, board requested public comment, and the motion was unanimously approved.

5. **Operations and Maintenance Workshop offered through Irrigation Leader Magazine-Phoenix, Arizona**

A **motion** was made by **Director Lester deBraga** to send Rusty Jardine and Eric Olsen to the Phoenix Operations and Maintenance Workshop seconded by **Director Dave Stix**, board requested public comment, and the motion was unanimously approved.

6. **Motion to approve Resolution No. 2012-12 authorizing the District to pursue refinancing of all obligations associated with the bond issue dated August 16, 2011, through the Nevada State Bond Bank or any other financial institution**

A **motion** was made by **Director Dave Stix** to approve Resolution 2012-12 and investigate the on the entire aggregate principal amount of \$5,000,000 seconded by **Director Bob Oakden**, board requested public comment, and the motion was unanimously approved.

7. **Prepare response to Bureau of Reclamation relating to the preliminary determination of Incentive Credit for the Years 2008-2010**

This item was previously addressed during a litigation session. A letter will be forthcoming.

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

Consideration/Possible Action: Director's Compensation

Ernest C. Schank	266.60
Dave Stix	237.00
Bob Oakden	80.00
Lester deBraga	105.00
Eric Olsen	100.00

Joe Gomes	0.00
Wade Workman	110.00

A **motion** was made by **Director Bob Oakden** to approve payment of the Directors Compensation for the month of November, 2012 seconded by **Director Eric Olsen**, board requested public comment, and the motion was unanimously approved.

COMMITTEE REPORTS

1. O&M Committee Recommendations

Bob Oakden, Acting Committee Chair Reported

USFWS was represented by Nancy Hoffman. Nancy asked about different readings at the Harmon Reservoir Spill Meter and the USGS meter. On October 29th the USGS meter read 42 cfs with the Harmon Spill Meter reading at 44 cfs. On the October 30th the USGS meter read 36 cfs and the Harmon Spill Meter reading was at 42. The USGS meter reading should be the higher reading. There seems to be some gauge reading discrepancies. Walter Winder will have Dave Watkins check the meters and make sure all is well and report back to USFWS. Walter stated that there are several reasons why there were discrepancies.

Walter will contact Nancy Hoffman when they are ready to resume a tour of the project when they are both available, maybe the first part of December.

<p>1. <u>Review Accident/Incident Reports and Damage Claims</u></p> <p>A motion was made by Director Joe Gomes to approve payment of \$1,500 to Christine Fairbanks to cover damages related to the washout seconded by Director Bob Oakden, no public comment when requested and the motion was unanimously approved.</p> <p style="text-align: center;">No Board Action Required.</p> <p style="text-align: center;">No Board Action Required.</p>	<ul style="list-style-type: none"> • Christine Fairbanks did not attend. Her damage claim as a result of a washout. A gate was left open at the completion of her irrigation. Walter believes that a stick or rock may have gotten caught in the gate keeping it from closing all the way. There was damage to some hay and a road. Walter phoned Ms. Fairbanks and asked if she would be willing to accept the \$1,500 in damages that the committee and the District Manager would be able to approve without taking the matter to the Board for approval. She agreed and will be asked to sign a settlement agreement and release form indicating that this issue will be concluded and no longer be able to bring back to the District at a later date. • Accident/Incident Report -Vehicle #4 Kelly Herwick was working on October 26, 2012 and went to fuel up the truck. Kelly turned short at the fuel pump ballards and dented the rear bed panel on the driver's side. The damage is minimal and will be taken care of in this winter's maintenance period.
<p>2. <u>Review Conservation Work Orders Balance Sheets for July 2012</u></p> <p style="text-align: center;">No Board Action Required.</p>	<p>The committee reviewed the Conservation Work Orders report for the month of July. Walter stated that there had not been much work done under conservation as most construction work is done in the Off Season after the water is turned off. Now that the water is out of the system the conservation work will resume. Dave Watkins has been provided with a list of sites to review and answer questions on the 6,600 ft. rule where the delivery was lost to</p>

	several sites. He will be installing new gauges at several of the sites.
<p>3. <u>Pipe a Drain - Pete Olsen</u></p> <p>A <u>motion</u> was made by Director Joe Gomes to approve installation of a drain at Hillside Dairy pending Bureau approval including a 35 ft. easement to the center of the pipe seconded by Walter Winder, no public comment when requested as no public was in attendance, and the motion was unanimously approved.</p> <p>No Board Action Required.</p>	Walter reviewed the latest set of plans provided by NRCS with the committee and with Pete Neugebauer and Bob Edwards of the Bureau. This project has been on the table for quite some time.
<p>4. <u>Application for Crossings on T-Line, Lower Soda Drain, Wade Drain, T13-NDOT</u></p> <p>A <u>motion</u> was made by Walter Winder to approve the NDOT project pending Bureau approval and review of the next set of plans available in February seconded by Director Bob Oakden, no public comment when requested and the motion was unanimously approved.</p> <p>No Board Action Required.</p>	Carrie Byron, Right-of-Way Agent for NDOT attended. NDOT is submitting an application for construction in an easement area along US-95 from 0.16 miles south of the Junction SR-726 to south of B-680, milepost CH 28.00 to CH 57.00. There will be four crossings impacted. This has been reviewed by the committee previously. Walter Winder does not have any issue with the project. The Bureau is working with NDOT and they do not have issue with the project either. Walter recommended that the project be approved by the committee pending Bureau approval.
<p><u>Other Matters that May Arise</u></p> <p>Bob Oakden informed Walter that Dave Hollingsworth's water had been given to someone else when he completed his run but the gate dropped back down and water ran back on to his field causing some damage. He will be contacting the District.</p>	
<p><u>Related Matters</u></p> <p>There was no Public Comment.</p> <p><u>In the Field</u></p> <ul style="list-style-type: none"> The committee did not go into the field. 	

ADJOURN

A **motion** was made by **Director Dave Stix** to adjourn the meeting at 2:36 p.m. seconded by **Director Joe Gomes**, and the motion was unanimously approved.

Ernie Schank, President

Bob Oakden, Secretary

January 7, 2013
Date