

Minutes of the Board Meeting of the
TRUCKEE-CARSON IRRIGATION DISTRICT
Special Board Meeting
March 20, 2007

The Board of Directors of the Truckee-Carson Irrigation District, in the Counties of Churchill and Lyon, State of Nevada, met in special session in the Churchill County Commissioners Chambers located at 155 E. Taylor Street, Fallon, Nevada on Tuesday, March 20, 2007.

Call to Order, Roll Call, Pledge of Allegiance

President, Ernest C. Schank called the meeting to order at 7:19 p.m. in compliance with NRS Chapter 241. The following Directors were present constituting a quorum:

Present:	Ernest C. Schank	President
	Richard Harriman	Vice-President
	Ray Peterson	Secretary
	Don Travis	Director
	Lester deBraga	Director
	Jerry Blodgett	Director

Others Present: Dave Overvold Project Manager
Director Larry Miller was not in attendance.

The meeting opened with the Pledge of Allegiance led by Director Ray Peterson.

President Ernie Schank introduced the TCID Board of Directors.

Dave Overvold, Project Manager made TCID staff introductions as follows:

Kate Rutan	Administrative Assistant
Paula Bailey	Board Secretary
Brian Baley	Water Master
Walter Winder	O&M Foreman
Shelby Cecil	Retired Water Master
John Baker	Water Master
Matt McGuire	Ditch Rider
Don Watson	O&M Team Member
Kelly Cecil	Hydro Foreman
Charlie Crew	Ditch Rider
Chuck Richards	Ditch Rider

The following is a list of public who signed in at the meeting:

Mark Kolwyck	Curtis L. Dodson	Kevin Houle
Roberta Ross	Jill Ross	Lorraine Griffin
Mario G. Peraldo	Jerry P. Parrent	Alan D. Smith
Jack Barnes	Jamie Mills	Lowell Patton
Shannon Ceresola	Simmie Travis	Gary Bacock
Marlene Caffrey	Peggy Hughes	Michael Goddard
Bonnie York	Jesse Hernandez	Elbert Mills
Bill Washburn	Gwen Washburn	

President's Report

President Ernie Schank reported on the activities of the Truckee Carson Irrigation District as the 2007 water season commences.

Last fall Public Law 106 265 was passed and signed in to law by President George W. Bush authorizing the transfer of the TCID maintenance office facility from federal ownership to TCID ownership. The District is currently in the process of working with the Bureau of Reclamation through the environmental assessments in order to finalize the transfer. The District anticipates that this transfer will be complete by early summer, 2007. He then thanked Senator Harry Reid, Senator John Ensign and Governor Jim Gibbons for making the transfer happen.

The past year was the twelfth wettest on record over the last 100 years and the seventh highest April to July Carson River runoff, within the same time period.

President Schank informed that most are probably not aware of the man hours spent by District personnel to effectively use the system to move precautionary releases effectively and safely throughout the system. Many times throughout that period, decisions had to be made, frequently on an hourly basis, due to changes in the weather or flows on the Carson River. He expressed thanks for the use of modern real-time stream gages greatly improving and aiding in the process and to all individuals who make this process work, especially Dave Overvold, Project Manager crediting him with being the master in out guessing the elements and keeping the within the banks from the months of March to April.

Many users have been critical of the District for not allowing spreading of water within the last year. He explained that spreading procedures were developed in 1995 by a federal judge with input from several other parties and are the standard currently used by the Bureau of Reclamation. Part of that standard requires flows at the Tarzan Gage to reach certain levels. If those levels had been reached, property damage would have been caused in the Bafford Lane area of the Carson River. Also complicating the matter was language in the OCAP defining precautionary releases versus spills. The TCID Board and management made attempts during this time to see if the District could allow spreading, but were informed that the requirements developed in 1995 would have to be revisited. To present, that has not taken place.

Precautionary releases of last year allowed early start-up of the three hydro power plants. The District is only able to operate the hydro plants incidental to releases from Lahontan Reservoir. As reported last year, a recent analysis of the TCID's ability to pay shows that water users provide about 55% of the total O&M costs annually, and the remaining 45% comes from the hydro power generation and other electrical activities operated by the District. The Board went to the water users when the New Lahontan Power Plant was purchased. One of the reasons for purchasing that facility was to hedge against higher O&M costs. The hydro revenues continue to be a vital part in helping to pay the ever rising O&M costs. President Ernie Schank was pleased to announce that for eight years consecutively the District has not had to raise O&M charges.

The District Board of Directors is committed to providing necessary services to the water users of the Newlands Project, while being frugal with expenditures in order to keep the O&M

charges as low as possible. The District O&M and Shop teams have made major improvements within the system over the past winter, as follows:

Structure	Improvement
L-C3	The structure, located on Wildes and Testolin Roads, was rebuilt.
Harmon Reservoir	Channeling was completed to help make the facility more efficient.
26' Drop (V-Line Drop)	Traveling screens were installed to aid in moss removal at the V-Line Hydro Plant. This will improve hydro generation productivity of the facility.
Gilpin Spill	The Gilpin Spill has been automated on the Truckee Canal. Control of this structure can now be accomplished from the District office here in Fallon, Nevada.
New Lahontan Hydro	Improvements were made by replacing outdated equipment. These improvements will allow greater control of hydro production at the District's largest four megawatt plant.
Carson Diversion Dam	A large amount of silt was removed so that the District can vary releases at Lahontan Reservoir to get optimum power production at times of the day when power brings premium prices. By removing the silt, the area can be used to level out releases from this point into the V and T-Line Canals.
Measuring Devices	Installation of measuring devices continues throughout the District.
The District has worked for the past seven years with the Irrigation Training Research Center located at Cal Poly and the Bureau of Reclamation to install accurate measuring devices. The District is required in the contract with the Department of the Interior to achieve a volumetric measurement of 75% of water deliveries by the year 2012. The District is currently on schedule to meet this requirement.	
District Conservation Plan	The District is currently working to renew the conservation plan.

In addition to continued efforts in the area of water measurement, the District hopes to work on further automation of canal structures for better control of canal levels and more steady deliveries to our water users. The value of canal automation was made evident last year when the L-C3 failed on Labor Day. Water users and TCID personnel have gotten an up close experience with the value of canal automation. The District will be getting the L-C3 facility back to automation very soon.

President Schank then reported on recoupment efforts. A decision was rendered in the recoupment case tried nearly four years ago. A federal district judge found the individual water users innocent of receiving more than their decreed duties of water for the years 1973 and 1974. The judge did find that TCID over diverted 197,152 acre feet of water. In February 2005 a judge ruled that the District must repay 9,857.6 acre feet of water each year for twenty years plus 2% interest on the unpaid balance. The judge also created a recoupment committee to determine ways for the repayment to be made. TCID, the Pyramid Lake Tribe of Indians and the United States are all represented on that committee with the Federal Water Master, Gary Stone as the presiding officer. The court further instructed Mr. Stone to certify to the court annually the amount of water repaid. The District repaid some water in 2006 by foregoing diversions at Derby Dam for the first week in December. Those waters and the Donner Lake water amounted to a total of 3,271 acre feet, which was certified by the Federal Water Master to the court. The subsequent findings of a mistake in the OCAP calculations have shown that the District should have been able to repay considerably more. This year the District had an opportunity to make a repayment of 23,000 acre feet of credit water stored at Lake Lahontan in January, 2007. The District made a decision to again forego diversions and/or repay the entire amount of credit that we had at Lahontan plus the Donner Lake releases for this year. No matter how much the District tries to make good on the judgment imposed in the recoupment case, there is opposition to the payments and how much should be given as credit. It is as though some of the parties to the recoupment litigation don't want the District to ever be able to make the payment imposed by the court. While the District is making the effort to meet the

courts judgment, they are working on an appeal to the recoupment case before the Ninth Circuit Court. The appeal is currently in mediation and the District is awaiting the justice department's answer to the proposal for settlement of the recoupment issue.

The District will continue to see many of those who were cut back on the Bench and Bottom litigation having their Bench allocations restored by using the court prescribed procedures. President Ernie Schank indicated to those attending that if they previously had a Bench allocation and have not had their soil water allocation calculated, it is recommended that they see the people and NRCS. It will take some effort and time for many of those who had their duties reduced, to be restored. It is understood that the agreement by the five party signators of the TROA is close. It is yet to be decided what the District's position will be toward the proposed TROA. The District is looking to options and actions that might be required as upstream interests work to implement the TROA.

The AB380 program ended on June 30, 2006. The current understanding is that the Carson Subconservancy Water District under agreement, which expired June 30, 2006, will distribute the remaining funds to those who applied before the deadline and in order of their applications as long as there are no outstanding problems with their applications.

The Board of Directors has set the allocations for year 2007 for 100%. Taking orders began on Monday, March 12, 2007 and water was released from the dam Monday, March 19, 2007. Deliveries will start as the systems can be charged and flushed.

Last year there were major changes with the ditch riders working schedules. Adjustments were made early in the season including the number of staff and shift change times. At the end of the season 130 questionnaires were sent out to water users so that the District could more effectively evaluate ways to make the new system work. The largest concern voiced in the responses by the water users was the need for better communication. The District management is committed to making better communication between the ditch riders and water users. Effective communication will require both TCID personnel and the water users to work together. President Schank then reviewed the Procedure for the Ordering and the Delivering of Water, which was provided in handouts at the meeting.

Project Manager Report – Water Conservation Activities

Dave Overvold, Project Manager gave a PowerPoint slide presentation on the following:

Water Conservation Program Requirements	Dave reported that 10% of the District budget is required for use in water conservation and that the District is also required to install measuring devices to measure 75% of deliveries. There must be 428 takeouts by the year 2012.	
2005-2006 Status:	Total expenditures : Takeouts measured to date: Devices Installed: Water Delivered:	\$137,324 264 61 191,728 Acre Feet
Remaining Work:	Summary of the water that is left to measure. Reported to the Bureau: Additional on measuring devices: Seven new measuring devices installed in 2006 measured: Next years measuring device projection: TOTALING:	92,105 Acre Feet 13,436 Acre Feet 7,149 Acre Feet 16,208 Acre Feet 128,898 Acre Feet which is 89% of required water measuring by the Bureau.

	Remaining of requirement: Total Requirement:	14,898 Acre Feet 143,796 Acre Feet
Current Measurement Device Installation Status:	Dave provided photographs of the seven measurement devices and their locations:	L1-4 Headworks; A9 Headworks; A12 Headworks; L1-10 Headworks; V4-T6; A2-C6; and E1-C13
Year 2005: Numbers reported to the District by the Bureau.	Total Acres Irrigated: Deliveries to Farms: Diversions: Efficiency: Expected Efficiency: Incentive Credit:	56,931 Acre Feet 192,091 Acre Feet 280,076 Acre Feet 67.7% 65.8% 5,300 Acre Feet
Incentive Credit:	Previous Credit: 2005 Evaporation: 2005 Credit: New Credit:	30,250 Acre Feet 3,600 Acre Feet 5,00 Acre Feet 30,250 Acre Feet
<p>Dave then provided photographs of the 26' Drop Traveling Screens installed by the District. These will collect the moss and trash that comes down the canal and carry it up and onto a conveyor belt which will then place it off to the side of the canal where it will be removed.</p> <p>The Gilpin Spill automation building and solar panels located on the Truckee Canal where water can be spilled back to the river.</p> <p>He showed the newly completed L-C3 structure. The old structure failed last Labor Day and sank into the ditch.</p>		
2007 March 1 Forecast:	April-July: Average: Percent of Normal: Last Year April-July:	45,000 Acre Feet 178,000 Acre Feet 38% 260,000 Acre Feet
2007 Water Season:	Start of Season: Began Taking Water Orders: Started Releases:	March 15,2007 (Planned) March 12, 2007 March 19, 2007 (Actual)

Question & Answer Session

Jamie Mills, Executive Director of the Newlands Water Protective Agency asked if there was a testing period for measuring devices. Dave Overvold indicated that there was not and that the water users should contact their ditch riders and/or water masters with any discrepancies. He also indicated that the ramp flumes are the most accurate devices.

Jamie also was able to provide a list of those individuals with petition cases in the Alpine Land and Reservoir Co., et al., should anyone be interested in seeing if they are on it. There are approximately 247 individuals on the list.

Another question was asked in regards to litigation with the ditch riders. President Ernie Schank indicated that there is an agreement but litigation was still ongoing.

Adjourn

The meeting was adjourned at 7:51p.m.

Ernest C. Schank, President

Ray Peterson, Secretary

Date