

**CARSON WATER SUBCONSERVANCY DISTRICT
FINANCE COMMITTEE MEETING
February 28, 2017, 8:30 A.M.**

Meeting Minutes

Directors Present:

Brad Bonkowski, Carson City
Ken Gray, Lyon County
Don Jardine, Alpine County
Barry Penzel, Douglas County
Ernie Schank, Churchill County

Directors Not Present: none

Staff Present:

Edwin James, General Manager
Toni Leffler, Secretary

Others Present:

Kip Allander, USGS
Steve Berris, USGS
Jackie Bogdanovicz, Lahontan Conservation District (LCD)
Craig Burnside, Carson Valley Conservation District (CVCD)
Linda Conlin, River Wranglers
Mike Hayes, CVCD
Sean Hill, Sierra Nevada Journeys
Rob Holley, Dayton Valley Conservation District (DVCD)
Dan Kaffer, Alpine Watershed Group
Jason VanHavel, Storey County
Rich Wilkinson, Carson Valley Conservation District (by telephone)

The meeting was called to order at 8:35 a.m. by Director Schank. The meeting was held in the Conference Room of the Carson Water Subconservancy District, 777 E. William St., #110, Carson City, Nevada. A quorum of the Finance Committee was present.

Item #2 - Public comment. None

Item #3 - Discussion for possible action regarding approval of the minutes from the Finance Committee meeting on February 24, 2016. Director Bonkowski made the motion to approve the minutes of the Finance Committee meeting on February 24, 2016, as handed out. The motion was seconded by Director Schank which was unanimously approved, with Directors Penzel and Jardine abstaining for not having been at that meeting.

Item #3 - Discussion regarding the tentative General Fund FY 2017-18 budget and presentations for proposed projects. Ed James explained that the grant requests are greater than the funds available. We also have not been able to put any funds into the Acquisition/Construction Fund for the past three years. We will have to address this in our Strategic Planning Session. He explained that the proposed tentative FY 2017-18 budget is shown in the left column, the FY 2016-17 final budget is the middle column, and the right column reflects the projected actual FY 2016-17

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income and expenses. Mr. James will provide a pie chart regarding expense allocation in the Board package.

Director Bonkowski noted that Carson City estimates \$30 million in new construction this year and a proposed \$.05 increase in tax rate on new construction. This could mean an additional \$20,000 in CWSD revenue. Director Penzel reported that he met with the Douglas County Assessor yesterday who anticipates a minor amount of additional revenue but no decrease. Lyon County has seen a lot of growth. Director Schank commented that Mr. James has done a good job of painting a realistic picture for funding. Director Penzel suggested ranking the projects and create a standby list of projects in the event CWSD has additional funding.

Director Schank asked about emergency funding. There have been a lot of changes on the river, so our first priority needs to be helping the agencies that get the river back in shape after the flood and maybe not as much into the programs. Director Penzel agreed.

Mr. James noted that the Floodplain Management Fund has \$152,000 earmarked for flood protection/repair. The funding for repairing diversion structures after past flood events came from FEMA (75%), CWSD (12.5%), and individuals (12.5%). Repairs in 2006 cost approximately \$440,000. We can't fix the whole river, but we can focus on the diversion structures as valuable flood control. Director Penzel suggested keeping in mind what things support the main issue: the river and flooding on the river. The other projects can be put on the "nice to do" list. Also, FEMA has declared a State of Emergency, but where is the money? Mr. James responded that most of the work will be done in the summer and fall. Director Penzel urged getting the projects accomplished, speeding things up. We don't get things done until we have the money, so when will the money come? Mr. James responded that State Historic Preservation Office (SHPO) is a bigger issue to address in order to get the permitting. Director Penzel conceded that the second criteria is the speed with which we can more effectively get the project done.

Director Bonkowski asked about funds set aside for "planning" in the Floodplain Management Fund. Mr. James explained that it is like a contingency fund. The first priority is to clean the river and stabilize the banks; the second is flood repair from Floodplain Management Fund; and the third is the speed of project completion. Mr. James explained that some of flood repair can come from Floodplain Management Fund, but we need to save some funds for potential flooding next year. Director Schank noted that some of the funds expended this year won't have to be spent next year with the channels cleared. We may be in a two to three year flooding cycle because of how wet the snow is in the mountain.

GENERAL FUND Income: Mr. James explained that on the budget, the items in blue are grant funding and the items in red are new requests that may be altered to balance the budget. Director Penzel noted that conservation districts should maybe go farther down the list, but Mr. James explained that they are the ones who get the work done on the ground for us and that is what their requests are for.

Director Bonkowski noted that Carson City is expecting a 2.6% increase instead of the 2.3% which Mr. James projected. Staff will get the exact numbers from the Tax Department at the end of March, which will be reflected in the final budget. CWSD gets interest from investment in various

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CDs. Carson City expects to lease all the available water from both *Mud Lake* (#5022-00) and *Lost Lakes* (#5023-00) this year. Mr. James went over the grant income which is comprised of pass-through income accounts with expense accounts to offset them.

Administrative budget: Mr. James explained that the increases in *Salaries* (#7015-00) and *Benefits* (#7020-00) are based on the merit or longevity and COLA increases for employees who qualify. Benefits are higher in case Shane elects to take our insurance instead of being on his wife's, so benefits usually come in lower. We do get reimbursed for staff time from each grant in an amount of about 25% of the salaries account budget. During FY 2016-17, CWSD purchased a new printer and replaced three computers because of unexpected computer problems which is reflected in the higher actual expenditures than budget for *office equipment* (#7111-00).

Mr. James explained that there is not enough income to fund all the project requests this year and there are no transfers anticipated to the *Floodplain Fund* (#8009-00) or the *Acquisition/Construction (A/C) Fund* (#8002-00). He explained that the Acquisition/Construction Fund is for regional water systems. It can only be increased by transfers from General Fund and investment income. At one point, it was up to almost \$2 million, but it currently down to about \$660,000 because we have funded several construction projects. The list of potential regional projects would cost about \$1,500,000. Mr. James has already notified the groups making project requests that there is a shortfall in the CWSD budget this year and urged the group to consider what the minimum amount would be with which they could still conduct their projects.

Multi-Year and Ongoing Projects:

Professional Outside Services (#7114-00) – This account covers CWSD web and internet services and other unknown projects that may come up over the next fiscal year. \$15,000 is budgeted for this account because of computer problems.

Lost Lakes and Mud Lake Expenses (#7117-00 & #7118-00) – Lost Lakes expenses are high because of dam fees. Mud Lake always provides an income source with few expenses. Director Bonkowski noted that Carson City will take whatever they can get to rest their wells. Director Penzel asked if Carson City decreases its demand from the intertie because of water from Lost Lakes and Mud Lake. Director Bonkowski responded that the water replaces groundwater usage. Mr. James explained that we measure amount released and the amount Carson City takes, with 7% transportation loss.

Integrated Watershed Projects (#7120-00, -07, -25) - Most of these projects are pass-through grants. The watershed bus tour expense is covered by the fee and sponsors.

Environmental Education Coordinator Program (#7125-00) - Mr. James explained that this is a highly respected River Wranglers program covered by a NDEP grant, and Linda Conlin will give a presentation on it later in the meeting.

Noxious Weeds Control (#7404-00) - Mr. James pointed out that budgeting \$75,000 would give each county \$15,000 for noxious weed control. This money is being matched by federal grants.

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FEMA MAS #6 (#7427-00) - This phase has several study project areas which are almost completed and has \$7,760 budgeted for FY 2017-18.

FEMA MAS #7 (#7432-00) – This newest round of approved FEMA-funded projects has been budgeted for \$356,809 in FY 2017-18 as a pass-through grant.

Watershed Literacy Implementation (#7429-00) – As the continuation of the Watershed Literacy Program, this phase refined the survey results, created a Spanish version of the printed Watershed Map, and will reconfigure the online interactive Watershed Map. Only \$254 is required in FY 2017-18 for this pass-through grant.

Watershed Literacy Implementation-Phase III (#7433-00) – This third phase of the Watershed Literacy grant is budgeted for \$48,360 to hire a marketing firm to design a Healthy Watershed campaign with messages connecting people with their watershed, addressing polluted runoff, encouraging floodplain protection, and linking drinking water to the Carson River watershed. There will also be components for putting an interactive version of the Spanish Watershed Map on the CWSD website and hiring a consultant to create a Geomorphology 101 class for county staff and elected officials.

National Fish & Wildlife Foundation (NFWF) Weed Grant (#7430-00) - This two-year grant for noxious weed treatment is completed and does not include funding in FY 2017-18. Shane has been working with NFWF regarding an issue to do with the National Environmental Policy Act (NEPA) for the grant.

BLM Weed Grant (#7431-00) – This is the second year of a two-year grant from the Bureau of Land Management for treating weed on BLM land adjacent to private/county-owned properties, budgeted for \$14,000 in FY 2017-18.

Alpine County CASGEM (#7600-09) - The California Statewide Groundwater Elevation Monitoring (CASGEM) is a program that California has initiated to monitor groundwater levels. Staff gathers and prepares the data. Alpine County reimburses CWSD for its time.

Regional Pipeline Payment to Douglas County (#7610-10) - Mr. James explained that CWSD committed \$125,000/yr. for 20 years to both Douglas County and Carson City toward the debt service on the Douglas County/Carson City Regional Pipeline Intertie. CWSD paid for upsizing the system. Public entities may use the additional capacity without cost, but if a private entity wants to use it, CWSD would recuperate its investment.

Regional Pipeline Payment to Carson City (#7620-11) – This is the on-going debt service payment to Carson City for the Douglas County/Carson City pipeline intertie.

Lahontan Valley Water Level Measurement Program (#7640-09) – Project Proposal #1 – This is a three-year contract. They didn't spend as much last year so there is more in the budget for this year.

Dixie Valley Water Level Measurement Program (#7640-16) – Project Proposal #2 – An agreement is in place for this unusual project because Dixie Valley could be a source of water for Churchill

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County. This is year two of three-year contract. Groundwater recharge takes a long time in Churchill County so it won't be greatly affected by this wet year.

Director Gray joined the meeting at 9:20 a.m. The committee to a brief break at 9:25 a.m., and the meeting resumed at 9:35 a.m.

County and Carson River Projects:

River Wranglers - Carson River Work Days & Vegetation Management (#7332-00) - Project proposal #3 – This funding is used to match other grants. Linda Conlin explained that they work with the conservation districts, county departments, and private contributors to conduct the Carson River Work Days. The program pairs two-to-five fourth and fifth grade elementary school students with a high school FFA and science student to mentor them on the field trips. The grant request would allow for \$2,500 per county for Work Days, and the remaining money is spent on conservation district needs that don't easily get covered in typical conservation group grants. River Wranglers is requesting \$2,000 for overhead and travel and an additional \$6,000 to help pay for half of the living expenses of the AmeriCorps volunteer who River Wranglers shares half time with Alpine Watershed Group. The total request for \$32,000 is to do education and outreach, as well as work with the conservation districts on projects. In 2016, the program conducted work days which involved 1,091 student participants from 12 elementary and six high schools. All funds from CWSD are used as match for other funding. Ms. Conlin requested that the program be granted at least as much as last year: \$26,000

Alpine Watershed Group – Upper Carson River Watershed Programs (#7600-05) – Project proposal #3 – Sarah Green requested \$25,000 and explained that funding from CWSD is at the core of the Alpine Watershed Group (AWG) program and used as leverage for bigger grants. AWG's four primary programs are water monitoring, water quality, youth education, and community outreach, most focused in the Carson River watershed. Markleeville Creek Day is the largest work day and has received an outpouring of volunteer support. The East Fork Carson River restoration is an Off-Highway Vehicles (OHV) restoration project to keep OHV out of the stream corridor. To date, 1.2 miles of corridor and five miles of habitat has been restored. The Hope Valley Restoration Project is completing this year but another reach has been identified for work between two restored areas. AWG is working with broad spectrum of partnerships. CWSD's grant funding is critical to their program infrastructure/general program management. When asked their minimum amount to function, Sarah responded that they needed at least the same as this year: \$22,000.

"Living with Beaver" Project - Dan Kaffer – Project proposal #4A – Mr. Kaffer explained that tens of thousands of dollars are spent in beaver trapping. The population has skyrocketed. There are 100 beaver dams between Sorensen's and Red Lake. This project proposes to do stabilization of an area in Faith Valley eroded by beaver dam head cut. The total project cost is \$11,000, with \$6,600 in donated materials and labor and a request for \$4,000 from CWSD. Mr. Kaffer will come before the CWSD Board with a presentation on beaver management. River otters kill beaver so introducing river otters back into the system that may be a solution to controlling the beaver population.

Carson Valley Conservation District (CVCD) - Carson Valley Streambank Bioengineering and Erosion Control Project (#7337-15) - Project proposal #5 - Mike Hayes explained that CVCD is

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active in river restoration and repairs. His meeting with most of the ranchers and the East Fork Fire Protection District prior to atmospheric rivers coming through and removing 50,000 cubic yards of material near the hospital was very successful. CVCD is active with entities in the county to assess damage and grade control structure damage. He noted that residents of the Aspen Trailer Park must be evacuated during flooding.

Carson Valley Conservation District (CVCD) – Bank Stabilization Cradlebaugh Phase #1 (#7337-17) – Mr. Hayes explained that Rich Wilkinson would do hard rock repairs while Mr. Hayes does bioengineering/revegetation. Their request is modified to request that CWSD grant funds to CVCD and let the CVCD Board determine how to use the resources. Mr. Hayes spoke with Nevada Department of Transportation (NDOT) who is on board to be a partner upstream of Cradlebaugh Bridge. High water events has impacted NDOT structures. NDOT wants to do work like that done at Cradlebaugh to other six bridges in Carson Valley. He requested that funding be more flexible to use as CVCD Board determines to be higher priorities. They will work on getting NDWP and EQUIP grants. Spring runoff can create additional flooding. Conservation districts need state clearing and snagging funding as soon as possible.

Director Penzel asked about the source of flooding on Hwy. 395 between Minden and Carson City. Unless NDOT increases the capacity of water under the highway, it will flood there during high water events. Mr. Hayes noted that NDOT might add a culvert in the future. The Fire Chief is concerned about road closure for emergency services.

Dayton Valley Conservation District – Lyon County Rolling A Open Space below River Park (#7337-31) – Project proposal #7 – Rob Holley explained that Dayton Valley Conservation District (DVCD) requested carry over of \$65,747 from FY 2016-17 because of the continued delays in the permitting process to get work done last fall. He has received estimates of FEMA funding to help address the project on the Minor Ranch. He is hopeful to get grant from the U.S. Forest Service (USFS) through Lyon County Open Space. The area is covered in uncontrolled vegetation and perennial pepperweed at Rolling A. Lyon County now has water to those open space areas so that range seedings can be irrigated. This grant is a stop gap until the Fire Protection grant comes through for floodplain restoration with the additional benefit of reducing fire hazard to the nearby subdivision.

Dayton Valley Conservation District – Project MCR 020C (#7337-31) – Project proposal #8 – \$87,500. Mr. Holley explained that grants to Dayton Valley Conservation District (DVCD) is match for NDEP funding on bends of the river where no rip rap was installed. They have started the archeological part of the project using NDEP funding and want to stabilize the banks so water won't continue to encroach on four private properties.

Storey County Weed Abatement (#7337-32) - Project proposal #9 - Austin Osborne, via teleconference, explained that Storey County is requesting \$2,500 to continue the progress made on the weed treatment they've accomplished over the past several years. Weed abatement started in 2008-2009 in Six and Seven Mile Canyons and expanded to Gold Hill and Silver City. DVCD and Storey County shares resources. Storey County will contribute \$12,000, and DVCD and Storey County will make in-kind contributions. The focus is on hoary cress and other invasive weeds, supporting progress made from past years' spraying.

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Lahontan Conservation District – Lower Carson River Clearing and Snagging (#7337-04) - Project proposal #10 - Jackie Bogdanovicz asked for \$20,000 for Clearing and Snagging projects in the lower Carson River. From Diversion Dam to Sagouspi Lane, Lahontan Conservation District (LCD) removed most beaver dams last year so there are fewer beavers to relocate. They have had vegetation ingrowth which has been addressed by Nevada Division of Forestry (NDF) crews by scalping islands and removed large trees. The recent influx of water is expecting increase the beaver population. LCD would be grateful to receive \$15,000.

Lahontan Conservation District – Carson River Channel Below Diversion Dam to the Carson River Sink (#7337-__) – Project Proposal #11 – Ms. Bogdanovicz explained that funds are for sand bar removal and bank stabilization. The channel capacity has increased and will need bank stabilization after the water recedes.

Sierra Nevada Journeys (SNJ) Family Night (#7404-00) - Project proposal #12 – Sean Hill presented Sierra Nevada Journey’s (SNJ) funding request and explained that he oversees the educational programs to teach kids about outdoor sciences. Also, their mission is to get kids to think critically--how to think, not what to think. They conduct family science nights with stations for stormwater and groundwater models. Regarding funding and sustainability, they charge a small program fee to the schools, but this funding request is for background support for five family nights. The request is for \$3,800, but they could do four events for \$3,000.

A short break was taken at 10:40 a.m. The meeting resumed at 10:57 a.m.

USGS Projects

USGS Stream Gages (#7500-00) – Director Schank asked why more was budgeted this year than last year for stream gages. Mr. James responded that this is a multi-year contract, and the USGS didn’t bill us enough last year, so we make up for it this year. Steve Berris, Data Chief for the State of Nevada, and Kip Allander, Studies Chief for Northern Nevada, explained that the USGS provides a matching funds shortage allocation, but the Data Center’s matching funds have decreased by 15%, causing the customer’s portion to increase by 9%. The surface water monitoring program consists of nine gaging stations in the Carson Basin (under proposal #15). The agreements are for two years. The cost to CWSD will be \$76,500/yr. USGS has been running cost scenarios to decrease costs by dropping real time on the Daggett Creek gage (#4). This gage is not used for flood warning so real time readings are not as necessary. This saves \$1,030/yr., and the USGS could transfer those matching funds to the Dayton Bridge gage. Director Penzel asked why there are such large differences between the costs of the gages. Mr. Berris explained that some of the gages have other funding partners. The cost is \$18,000 annually per gage which includes O&M every six weeks or more often as warranted.

Lyon County Utilities Department – USGS Maintenance Costs for River Gage in Dayton (#7630-10) – Project proposal #14 – The request from Mike Workman is for \$10,750, but the request may be reduced to \$5,375. Steve Berris noted that USGS does not fund this gage.

USGS – Douglas County Groundwater Collection Data (#7508-00) – Project proposal #16 – Mr. Berris noted that the \$16,620 request measures 100 groundwater wells quarterly and 10 annually to

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determine many factors, such as nitrates and water level. If the USGS changes to semi-annual measurements, it would reduce the costs by \$2,180/yr. Matching funds from the USGS could be reapplied to another task.

USGS – Arsenic Study (New Project) – Project Proposal #17- Kip Allandar explained that this study is an extension of work done with CWSD last year looking at existing data and conditions which allows arsenic to be mobile. Arsenic concentrations increase with the depth of aquifer which may affect public supply wells. This proposal is to gather additional information to help characterize arsenic concentration for public supply wells, such as geochemical conditions, depth profile, and coordination with water purveyors to understand the mobility potential for arsenic. The total cost is \$43,000. The USGS is matching 30%, with an additional \$700 from the Nevada Bureau of Mines. They are asking CWSD for \$29,400 to collect additional data to make the findings from last year’s project more conclusive.

New Projects

Planet Savvy – 2017 Carson Canyon Mill Site Discharge Mapping (New Project) – Project Proposal #18 – Requesting \$3,500, Lynn Zonge from Resource Concepts Inc. (RCI) explained that this project is to capitalize on the fresh cut banks and lack of vegetation from the flood waters. It is for soils to be sampled for mercury. While on a float down the river she noticed yellow mercury markings along banks which would be helpful to map and easier to do this year. Mr. James asked if EPA or NDEP could help fund the project. Ms. Zonge said they would like to come and take some random sampling but weren’t offering funding. Shane Fryer would be the drone operator, and RCI has the boating equipment to take the group downstream.

NSHE DRI – Revised Review of Streamflow and Climate Records in the Carson System 1940-2017 (New Project) – Project Proposal #19 – Dr. Alexandra Lutz explained that in 2009 DRI helped evaluate climate records. With the spring happening earlier the plants are blooming earlier. From 1940-2009, DRI looked at four gages which showed a forward shift of spring flow which is statistically significant from March to June. This could possibly be because the minimum average temperature is higher, a suggested loss of streamflow between the upper and lower gages, and relatively more streamflow at Fort Churchill because of a decrease of agriculture since 1940. There has been no change in overall precipitation, rainfall, or snow water equivalent. This is to update the charts to include 2017. The study would start in October. Technology has made it easier to access data trends. DRI would update all charts, maps, and plots and provide the information to CWSD to help inform decision making for the future. Dr. Lutz would like to publish this information in comparison with the Walker River Watershed to get a better idea of the climate in our area. Their initial request of \$18,178 was reduced by \$5,000. DRI will cover one-third and two-thirds coming from CWSD.

The committee took a break for lunch at 12:20 p.m. and resumed the meeting at 12:50 p.m.

Item #4 - Discussion regarding the tentative Acquisition/Construction and tentative Floodplain Management Funds FY 2016-17 budgets.

Mr. James explained that the Acquisition/Construction Fund is for regional projects. There is not a lot of activity in this fund; it is more identifying and holding funds for projects.

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In the Floodplain Management Fund, with all the flood damage that has occurred it is anticipated there will be requests for funding assistance.

Item #5 - Discussion for possible action regarding recommendations for the tentative General Fund, Acquisition/Construction Fund, and Floodplain Management Fund FY 2016-17 budgets.

The Finance Committee agreed to the following changes to the proposed budget:

- Outside Professional Services – 10,000
- Sierra Nevada Journeys' Family Nights - \$3,000
- USGS Stream Gauges - \$75,530
- USGS Groundwater Collection – Douglas County - \$14,440
- Carson River Work Days - \$26,000
- Combined CVCD Projects- \$80,000
- Combined DVCD Projects - \$75,000
- Storey County Weed Management - \$2,000
- Combined Lahontan Conservation District Projects - \$30,000
- Alpine Watershed Group - \$20,000
- Lyon County's Dayton Gage - \$5,375
- USGS Dayton Flood Gage - \$3,925
- Preliminary Planning reduced by \$20,000

Director Penzel made the motion that the Finance Committee recommend that the tentative budget General Fund be approved as adjusted above. Director Jardine seconded the motion which was unanimously approved by the Finance Committee.

Director Bonkowski made the motion that the Finance Committee recommend that the tentative budgets for the Acquisition/Construction and Flood Management Funds be approved as submitted. Director Gray seconded the motion which was unanimously approved by the Finance Committee.

No public comment. There being no further business to come before the Finance Committee, Director Bonkowski made a motion to adjourn which was seconded by Director Gray, and the meeting was adjourned at 12:40 p.m.

Respectfully submitted,

Toni Leffler
Secretary