

CARSON WATER SUBCONSERVANCY DISTRICT
BOARD OF DIRECTORS AND
CARSON RIVER WATERSHED COMMITTEE MEETING
November 20, 2019, 6:30 P.M.

Minutes

Chairman Erquiaga called the meeting of the Carson Water Subconservancy District (CWSD) to order at 6:30 p.m. in the NAI Alliance Conference Room, 1000 N. Division St., Ste. 202, Carson City. Roll call of the CWSD Board was taken and a quorum was determined to be present.

CWSD Directors present:

Brad Bonkowski, Treasurer
Carl Erquiaga, Chairman
Stacey Giomi, Director
Ken Gray, Directors
Barry Penzel, Director
Ernie Schank, Director
Fred Stodieck, Director
Steve Thaler, Vice Chairman
Mike Workman, Director

Absent CWSD Directors: Jack Jacobs and Larry Walsh.

Roll call of the Caron River Watershed Committee was taken which included CWSD Directors and Committee Member present: David Griffith.

Absent CWSD Committee Members: Don Jardine and Austin Osborne.

Others present:

Michael Beers, Auditor, Eide Bailly
Shane Fryer, CWSD Watershed Program Specialist
Rob Holley, Dayton Valley Conservation District (DVCD)
Brenda Hunt, CWSD Watershed Program Manager
Edwin James, CWSD General Manager
Patrick King, CWSD Attorney
Debbie Neddenriep, CWSD Water Resource Specialist II
Catrina Schambra, CWSD Administrative Assistant/Secretary to the Board
Cyndie Walck, Public
Lynn Zonge, Resource Concepts, Inc. (RCI)

The Pledge of Allegiance was led by Chairman Erquiaga.

Item #4 – Discussion Only: Public Comment – None

Item #5 – For Possible Action: Approval of Agenda

Committee Member Griffith made the motion to approve the agenda, moving Item #14 to in between Items #11 and #12 as requested by presenter. The motion was seconded by Director Gray and unanimously approved by the Board.

Item #6 – For Possible Action: Approval of the Board Meeting Minutes of October 16, 2019

Director Bonkowski made the motion to approve the Board Meeting Minutes of October 16, 2019 as presented. The motion was seconded by Director Penzel and unanimously approved by the Board.

****CONSENT AGENDA****

Item # 7 - For Possible Action: Approval of Treasurer's Report for October 2019

Item # 8 - For Possible Action: Approval of Payment of Bills for October 2019

Director Giomi made a motion to approve Consent Agenda items as presented. The motion was seconded by Director Gray and unanimously approved by the Board.

****END OF CONSENT AGENDA****

Item #9 – For Possible Action: Approval of the 2018-19 Annual Audit

Michael Beers, Eide Bailly Auditor, presented the CWSD FY 2019-29 Audit results as included in the Board package. He directed Board members to specific "Notes to Financial Statements" sections that he felt needed specific explanation. Directors asked questions for clarification of various areas and highlighted 3 specific corrections that included a typo, a formatting change and a formula issue. Mr. James pointed out that the reason the actual salary amount is greater than the budget amount is due to changes in accounting procedures: half of the PERS amount is added to salary.

There was discussion regarding the finding of "Financial Reporting Material Weakness." This is the only negative finding in the audit and resulted because of a requirement by Eide Bailly that their auditors are prohibited from assisting CWSD personnel in preparation of any financial documents deemed necessary for audit. Note this is a bookkeeping weakness and not a financial error in our books. Mr. James also noted to Board Members that this is a new requirement this year and staff was not notified about this change to avoid a material weakness in this area. It is unclear if the required bookkeeping necessary to prepare financial statements for audit must be done by an outside accounting firm, separate and at cost, or if staff can be trained to provide the needed reporting. The current contract is a 3-year agreement signed with Kohn & Company before the merger with Eide Bailly last year. Staff will be looking into the contract to see if there are options for openers to renegotiate the final year of the contract due to the changes in the reporting requirements.

Three areas of concern were raised by Board members and Mr. Beers requested time to correct those items immediately. The issues included a typo and two formatting errors. This agenda item was tabled and agreed to revisit before end of meeting.

Item #10 – For Discussion Only: Geomorphology presentation by Resource Concepts, Inc (RCI)

Lynn Zonge made her Geomorphology presentation to the Board and asked for their input and thoughts on the final project for use in public outreach.

Director Stodieck commented on how it's unfair the state won't allow streambank barb protections. The state owns the bed and the bank. If a contractor is not allowed to install these bank protections, it gets eroded and the private land then goes to the state.

Mr. James asks the Board's opinion on sharing the presentation to educate Districts, Boards and the Public.

Director Thaler says to make sure there are lots of people in the audience. Director Giomi suggests the looping is too fast; there should be more controls to slow or stop when needed. He suggests the time be cut by two-thirds. A 20-minute presentation for staff and a 10-minute presentation for Boards would be adequate. Committee Member Griffith says it would depend on your audience type.

Director Stodieck thinks both this presentation, and the IAMCARSONRIVER video would be great for the “AG in the Classroom” project.

Director Penzel suggests more structure for the presentation; telling what the purpose of the presentation is right from the beginning.

Committee Member Griffith liked the map of the old meanders. He found it very interesting.

Cyndie Walck, Public, said it is important that it be explained what the impacts are when the river is straightened.

Director Thaler suggests changing the name of the presentation to “Living Between the 100-Year Flood.”

No action was taken.

****Item #9 – For Possible Action: Approval of the 2018-19 Annual Audit**

The Board returned to Item #9 after Mr. Beers corrected the editing errors in question. Mr. Beers showed the Board members the corrected report.

Director Bonkowski made a motion to approve the corrected 2018-19 Annual Audit. The motion was seconded by Director Gray and unanimously approved by the Board.

Item #11 – For Discussion Only: Presentation by Rob Holley, Dayton Valley Conservation District on the Fort Churchill Streambank Project

Mr. Holley gave a presentation on this project which was originally approved for funding in 2015. The Buckland Ditch project was to install stream barbs to develop the streambank; catch sediment, revegetate and move the thalweg away from the streambank. Project has had numerous delays. Was set to start in summer 2018, but contractor backed out. Went out to rebid summer 2019, but costs have increased dramatically in that time. The original budget was at \$300,000, but the lowest bid came in over \$500,000. DVCD has been looking at ways to get the project started, even considering doing without the stream barb component, but the engineer did not recommend doing the project without the stream barbs.

Mr. Holley explained the problems DVCD has encountered with funding and the history of the project. A main funding source, Carson/Truckee Conservation District was cut off. DVCD is now looking for a dedicated source of funding to fill this gap. DVCD is currently looking at a “Parcel Fee” tax to get funding from landowners. This measure is set to be addressed at the December Board meeting so they can get started with this project.

Mr. Holley also discussed Dayton Bridge concerns and the Minor land projects; for instance, the bridge currently being a vegetation trap. He is hoping the measure will pass and he can move forward.

The situation is dire. He is looking at not being able to exist without a fixed source of income.

Director Thaler asks how much money will be generated by the parcel tax. Mr. Holley explains that it is estimated approximately \$500,000, but this includes Fernley, so some of the funding will need to be dedicated to Fernley. All parcels in Dayton Valley Conservation District are included and would pay towards this fee with tax on parcels. Director Stodieck asks if this is available to all conservation districts. Mr. Holley answers yes.

Director Penzel inquires about what dollar amount has gone to projects and what amount has gone to other areas such as salaries and operations expenses. Mr. Holley did not have that information.

Director Bonkowski thinks that we need to look at this now and consider ending the ongoing extensions of contracts and in this case, start with a fresh grant. Mr. James agrees and explains that permits, weather, contractors, floods, etc. all impacted this project. There are lots of reasons why this project has been pushed back so far. He suggests we terminate this contract and start fresh with a new contract.

Director Bonkowski says that until DVCD can match funding with the project scope we need to hold off on this

project. All money needs to be accounted for.

Mr. Holley thinks he is better able to get closer to a realistic bid of \$500,000- \$750,000 for this project.

Committee Member Griffith thinks that with the obvious problems this project has had, how do we know it will be any different moving forward. DO we keep throwing money at it? Director Bonkowski says no, that's why we must make sure DVCD has other funding in place before we enter into another agreement.

Director Stodieck asked Mr. Holley about the negative changes to the site during flood years and Mr. Holley reported that yes, there has been about 4 feet of bank lost since 2017.

No action was taken.

Item #14 – For Discussion Only: Presentation of the 2019 Water Year

Mr. James gave a presentation comparing flows between water year 2017 and 2019.

No action was taken.

Item #12 – For Discussion Only: Update on the various funding agreements that were carried over from the fiscal year 2018-19

Mr. James explained why there are differences between the actual costs and the budgeted amount for several projects.

No action was taken.

Item #13 – For Possible Action: Authorize Staff to submit an application for the Environmental Education Region 9 EPA Grant

Mr. James reviewed a proposed EPA grant that staff would like to pursue. This particular grant requires a 25% match and that 25% of the grant goes to the third parties. He explained that this is to help smaller entities get funding and to help them with their outreach programs.

Director Bonkowski made a motion to authorize CWSD to submit an application for the Environmental Education Region 9 Grant not to exceed \$100,000. The motion was seconded by Director Gray and unanimously approved by the Board.

Item #15 – For Discussion Only: Update on Lost Lakes

Mr. James gave a beautiful video presentation on Lost Lakes and explained the history of our water rights.

No action was taken.

Item #16 – For Discussion Only: Update on State Land Permitting

Mr. King and Mr. James have attended meetings aimed at streamlining the permit process. It was primarily looking at conservation district projects and maintaining finished projects. The idea is to make new permits as simple as possible for conservation districts to do routine maintenance.

Director Stodieck asked about older projects, specifically his diversion structure. Is there any resolution on this issue? Mr. James explained that this focus is on the river restoration projects. This could be used as the framework for diversion structures. Mr. James will keep the Board advised on progress.

Item #17 – For Discussion Only: Staff Reports –

- Mr. James reported the CVCD has completed the Cradlebaugh Bridge project. CVCD needed CWSD to advance \$40,000 to pay the contractor. This amount will be repaid in February or when they get reimbursed by NDEP.
- Mr. Fryer reported the Watershed Literacy project is out on all media and has received a very positive response! The IAMCARSONRIVER.ORG video has over 20,000 views to date. Last week Ed, Shane and

Brenda were interviewed on public access TV, it's in the newspapers, on the radio and all social media. There will be over 39,000 I AM CARSON RIVER stickers handed out throughout the watershed by the end of January!

Legal – None

Correspondence – None

No action was taken.

Item #18– For Discussion Only: Directors Reports – None

No action was taken.

Item #19 – For Discussion Only: Update on activities in Alpine County –

Committee Member Griffith reported the following:

- Douglas County will be receiving a letter from Alpine County asking that all vape products no longer be sold in Douglas County. He voted against it.

The No action was taken.

Item #20 – For Discussion Only: Update on activities in Storey County – None

Item #21 – For Discussion Only: Public Comment – None

There being no further business to come before the Board, Chairman Erquiaga adjourned the meeting at 9:15 p.m.

Respectfully submitted,

Catrina Schambra

Secretary to the Board