

**CARSON WATER SUBCONSERVANCY DISTRICT
FINANCE COMMITTEE MEETING
February 25, 2013, 8:30 A.M.**

Meeting Minutes

Directors Present:

Ray Fierro, Lyon County
Greg Lynn, Douglas County
John McKenna, Carson City
Mary Rawson, Alpine County
Ernie Schank, Churchill County

Staff Present:

Edwin James, General Manager
Toni Leffler, Secretary

Others Present:

Dave Berger, USGS
Jackie Bogdanovicz, Lahontan Conservation District (LCD)
Linda Conlin, River Wranglers
Sarah Green, Alpine Watershed Group
Mike Hayes, CVCD
Eric Morway, USGS
Erik Nilssen, Douglas County
Terri Pereira, Churchill County
Paul Pugsley, Carson Valley Conservation District (CVCD)
Michael Stanka, Stanka Consulting Ltd.
Darren Schulz, Carson City
Rich Wilkinson, Dayton Valley Conservation District (DVCD)

The meeting was called to order at 8:35 a.m. by Director McKenna. 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 regarding the tentative General Fund FY 2014-15 budget and presentations for proposed projects. Ed James went over the tentative budget for FY 2014-15. We will need to cut about \$150,000 from the budget as presented. He noted that his Ad Valorem taxes estimate maybe a little low, but we don't get the final numbers until after the Board meeting. Mr. James explained that the proposed tentative FY 2014-15 budget is shown in the left column, the FY 2013-14 final budget is the middle column, and the right column reflects the projected actual FY 2013-14 income and expenses.

GENERAL FUND Income: Mr. James explained that income from Alpine County is based on an estimate of what would be like the \$0.03/\$100 that is collected in Nevada. Due to the small tax assessment in *Alpine County*, the contribution is calculated to be \$8,750 for this coming year (*account #5008-00*). Staff just used last year's Ad Valorem tax income reflected in the tentative budget until staff gets 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 CDs. Most of the money is invested in the Local Government Investment Pool which is not paying very much interest, so staff tries to diversify by investing in bank CDs. There is water lease income from Carson City for *Mud Lake water* (#5022-00). Mr. James went over the grant income which is comprised of pass-through income accounts with expense accounts to offset them. He emphasized that if the grant funds exceed \$500,000, we have to do a single audit. Director Schank suggested checking into investing with Alliance Bank.

Mr. James explained that there are a lot of pass through income/expense accounts. Currently income from federal grants is \$506,000 which will require a single audit. The *algae study* (#5058-02) which has been a grant from NDEP to USGS was supposed to expire the end of March 2014, but USGS has not completed study so NDEP has agreed to continue to fund it with the funds come through us. Several grants end this year, and we will reapply; however, they are not yet shown in the budget since we don't know for sure whether we will get them.

Mr. James mentioned that with Pat Fried closing her business, Great Basin Sports, which has conducted our *Watershed Conservation Tours* (#5077-00), the grant may change to have staff and Linda Conlin to carry out the balance of the grant requirements. Ms. Conlin's funds in her *Environmental Education grant* (#5063-01) are getting low so this grant may help to cover Environmental Education expenses. For *CASGEM* (#5082-00), \$1,000 has been budgeted if we get a contract with Alpine County to cover Debbie Neddrenriep's time. Director Rawson mentioned that this will be discussed again in Alpine County.

The budget for *FEMA MAS #3* (#5086-00) and *#4* (#5087-00) is an estimate for this and next fiscal years. We may be able to delay a little of FEMA #3 until next year to keep us under \$500,000 single audit this year.

CWSD applied for the grant for noxious weed signs but it is not shown in the budget since we don't have it yet. Overall, Mr. James point out, income is less this year than last.

Administrative budget: Mr. James explained that the increases in *Salaries* (#7015-00) and *Benefits* (#7020-00) are based on merit and COLA increases for employees who qualify. We do get reimbursed for staff time from each grant. The employee benefits figure is higher than this fiscal year because one employee's insurance is covered by her husband's insurance which reduces CWSD's cost. However, for budgeting purposes we assume she is taking insurance from CWSD. The budget for *Workers Comp* (#7021-00) is an estimate. *Director fees* (#7101-00) are budgeted the same as last year. *Insurance* (#7102-00) shows a slight increase over the decreasing rate over the past few years. The budget for *postage* (#7104-00) was increased to accommodate the postage rate increase. The *rent* (#7105-00) is based on our contract, and we are in the second year of a three-year contract. The budget for *telephone* (#7106-00) is increased to reflect a price increase. The budget for *seminars & education* (#7110-00) was increased slightly to cover ongoing training. The budget for *office equipment* (#7111-00) remained the same. The budget for *accounting* (#7115-00) assumes the need for a single audit. George Benesch hasn't had a raise his *legal fees* (#7116-00) in 10 years. Last year he even gave up reimbursement of mileage, so this year's budget reflects a slight increased to reimburse mileage to him again.

Mr. James summarized that administrative costs are up slightly from last year primarily because of the potential of a single audit, some slight salary increases, and the assumption that all the employees will get insurance coverage from CWSD.

Mr. James handed out a list of the amounts budgeted for *Preliminary Planning (#8008-00)* and *Acquisition/Construction (A/C) Fund transfers in (#8002-00)* since 2001. He explained that with tax revenues dropping we have had to reduce the preliminary planning budget. The A/C 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 \$750,000 because we have funded several construction projects. We may want to consider transferring funds into the account if our ad valorem income is higher than expected. The list of potential regional projects would cost over \$1,500,000.

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. \$10,000 for website upgrade.

Lost and Mud Lake Expenses (#7117-00 & #7118-00) – Mr. James explained that the budget for Lost Lakes is a little higher than last year to cover increases in California fees. Mud Lake O&M is a soft number and may be less. Mr. James doesn't anticipate any major work at Lost Lakes. CWSD bought Lost Lakes in 2002, and since then the dam safety fees have gone up considerably. Staff and Directors Jardine and Rawson have met with California Legislators regarding a change in status to reduce dam safety fees for the Lost Lakes. The Mud Lake expenses account is for our share of possible Operation and Maintenance (O&M) costs. Mr. James noted that CWSD hasn't been asked to pay anything for O&M for several years. He will send a letter to make a connection with the next Bently Agrowdynamics' administration since Don Bently's death and ask if there are any expenses this year. Director Schank noted that there has to be an operating agreement between Bently and CWSD for Bently to ask for past expenses. Mr. James will check with Mr. Benesch about this issue. Director Schank stressed the importance of getting Bently's response in writing, not just verbally.

Integrated Watershed Projects (#7120-00, -07, -08, , -10, -18, -25) - Mr. James went over each program. Most of these projects are pass-through grants. There is a carryover of \$2,500 in the Regional Invasive Species Program (#7120-08).

Water Conservation Program/BMP (#7122-00) - Mr. James explained that in the Water Conservation Program/BMP there is a carryover of \$3,000 from last year. He is proposing to carry over unused funds from FY 20-13-14, the same as with the invasive species program.

Environmental Education Coordinator Program (#7125-00) - Mr. James explained that instead of hiring Linda Conlin as an independent contractor for this program, this year CWSD has an agreement with River Wranglers. The \$9,386 budgeted for FY 2014-15 does not include any potential new grant but is based on the current grant. If we get a new grant for this program, the figures will change.

Carson River Conservation Tours (#7210-00) - Mr. James explained that Pat Fried of Great Basin Sports has decided to retire and will no longer be available to conduct tours. If NDEP is willing for us to continue that program, we may hire Linda Conlin or Dan Kaffer to do tours.

Noxious Weeds Control (#7404-00) - Mr. James pointed out that budgeting \$75,000 would give each county \$15,000. This is the majority of funding the weed districts receive, and they accomplish a lot with a little funding.

208 Water Quality East Fork Algae Study (#7406-00) - The \$15,000 budgeted for the algae study is to complete the study and does not represent a new grant.

208 LID Program (7405-00) - The Low Impact Development Program (LID) is our new 208 Plan project. Most of the funds go to pay the consultants.

FEMA Floodplain Mapping Program MAS #3 (#7419-00) - The FEMA MAS #2 mapping to the Carson City/Douglas County line (#7414-00) will be completed before the new fiscal year starts. FEMA MAS #3 is to extend the floodplain modeling through the Carson Valley. FEMA MAS #3 expenses are primarily for the consultant doing the modeling.

FEMA Floodplain Mapping Program MAS #4 (#7420-00) - This phase of the FEMA project is for mapping the floodplain in the Carson Valley.

Regional Municipal Separate Storm Sewer System (MS4) Plan - This plan will be completed soon but may need a little carryover into FY 2014-15.

BOR Basin Plan of Study (#7508-00) – The budget of \$250.00 covers our expenses for the Plan of Study.

USGS Stream Gage (#7500-00) – Project proposal #1 - Mr. James explained that we pay more in the summer time because the farmers use the stream gages with the Water Master to determine what water they can take. USGS has to go out every six weeks or in response to icy problems, beaver dam back ups, etc. We participate in 10 gauges. The USGS provides 50% match. On some of the gages we provide the full 50% match. Real time measurements costs more.

USGS Douglas Co. GW Collection Data (#7508-00) – Project proposal #2 - For over 15 years the USGS has been collecting groundwater and water quality data in Carson Valley. This funding continues the program for next fiscal year.

Watershed Literacy Grant (#7424-00) - This new grant is a pass-through of \$15,000.

The committee took a break at 9:40 a.m. and resumed meeting at 9:55 a.m.

County and Carson River Projects

Carson River Work Days (#7332-00) – (Project proposal #4) Linda Conlin explained that the Conserve Carson River Work Days began in 1995. The request is for \$24,000. The funding pays for supplies for events and goes to the conservation districts with which they work for on-the-ground restoration projects and weed management. This fiscal year here have been three work days in Carson Valley, five with Dayton Valley Conservation District (DVCD) in Lyon County, and Earth Day, with Conserve the Carson River Work Days coming up in Churchill County and Carson City.

These events include releasing fish into the river. The children are also helping with weed and vegetation work.

Carson Valley Conservation District/Douglas County (#7337-11) – Project proposal #6 – Mike Hayes explained that Carson Valley Conservation District's (CVCD) request for \$40,000 is to work with The Nature Conservancy (TNC) on habitat restoration along the Brockliss Slough at River Fork Ranch and \$5,000 for control of 100 beavers. He passed around photographs of what is being done. He explained that this bioengineering project is being done by him and a three-man crew. Labor is the highest project cost, with mileage as the next. Most of the match for the CWSD grant is donated willows and cottonwoods. CVCD also works with Douglas County on an aggressive noxious weeds program and with the Washoe Tribe to control weeds on tribal lands. Mr. James noted that a lot of other funding sources have been cut this year for river projects. Rich Wilkinson noted that the conservation districts also have to deal with workers comp costs doubling and supply costs going up. Mr. James pointed out that the health of the watershed is due primarily to the conservation district work.

Carson Valley Conservation District/Carson City (#7337-02) – Project proposal #7 - Mr. Pugsley explained that the Carson Valley Conservation District's project in Carson City is at Buzzy's Ranch. The project request is for \$20,000. Mr. Pugsley noted that the existing grant treated for Russian olive all along the north and west banks of the Carson River between Riverview (Lloyd's) Bridge and Riverview Park to the south, and they will be planning cottonwoods this spring. Carson City has done a good job of wrapping cottonwoods. A substantial amount of the watershed through Carson City is publicly owned. The plan in the Buzzy's Ranch area is to treat with willows without anchoring with rock. CVCD has received funding from the NDEP 319 program plus funds carried over. The CWSD funding will primarily be used as match for the 319 funding. They are going to try drilling one foot wide by 12 foot deep holes to put cottonwood stems in reach low water level so that the cottonwood can be planted farther up the banks and not require rock anchoring. They have had good success in the past with cottonwoods rooting. They will also fence off the planting to protect from beaver.

Dayton Valley Conservation District (#7337-03) – Project proposal #8 - Rich Wilkinson explained that Dayton Valley Conservation District (DVCD) are asking for \$5,000 for vegetation management to deal with beaver attacks on cottonwood galleries in the Dayton Valley area by trapping and wrapping trees. They also want to remove some previous wrapping around trees to prevent girdling the trees. They are not having a lot of young cottonwood growth especially in the areas where work has been done. On the Ricci Ranch the damage occurred in about seven days over about 300' of bank. Mr. James noted that when trees fall into the river it causes problems with flow.

A second request from DVCD (proposal #9) is for \$70,000 for middle Carson River channel clearing, snagging and maintenance. The State used to have funding for Carson River channel management which is no longer available. Some areas have concerns of accelerated erosion. DVCD needs to remove debris which is eroding the opposite banks. They also need to review and maintain previous projects. Carson Truckee Water Conservancy District (CTWCD) funding is not available this year. DVCD has had a \$195,000 reduction in their budget from last year. They will try to do some small scale restorations but nothing large. Landowners primarily provide willows, removal and reinstatement of fencing, and some equipment use. Director Schank asked if the conservation district has a maintenance contract with the landowners to preserve as much of the stabilization which has

been done in the past. Mr. Wilkinson noted that the bulk of the problem is what is inside of channel which is State-owned.

Lahontan Conservation District (#7337-04) and Lahontan Conservation District Lower River Channel Clearance (#7640-12) - Project proposals #10 and #11 - Jackie Bogdanovicz handed out a brochure on clearing and snagging. She explained that Lahontan Conservation District (LCD) works with the mosquito and weed abatement folks and landowners. This year they have done about a mile of clearing and snagging. They have been working along the Veneracci land this past week. They also work with beaver trappers. LCD work helps eliminate flood risk. The request for is for \$15,000 to be carried over in account #7640-12, plus an additional \$20,000 in account #7337-04. The \$15,000 carry over is for sand bar clearing at the Santa Fe Flume. That work has not been done yet because of delays in getting the COE permit since equipment will be required in the river for this project.

Alpine County - Watershed Coordinator (#7600-05) – Project proposal #5 – Sarah Green explained that Alpine Watershed Group (AWG) has restoration, monitoring, and outreach programs in Alpine County. CWSD funding is match for other grants and is necessary to leverage other grants. The total project cost is \$100,000. Ms. Green complimented her great team of staff; Shane Fryer has been doing great job as Watershed Coordinator and Tess Braun in the AmeriCorps position for outreach and education in the school. AWG does the monitoring program with Hope Valley Stewards and funding from American Rivers. They do bioassessment at Markleeville Creek Station. The Markleeville Creek Restoration happens on Creek Day which will be the end of August this year, in tandem with Alpine Aspen Festival in late September as a way to involve visitors as well as local residents. AWG has lost about \$100,000 in funding from the California Department of Conservation for the Watershed Coordinator position which it has had for the past 12 years. Their Sierra Nevada Conservancy grant for \$30,000 is pending. They are diversifying funding by adding individual and business donations which they project will be about \$20,000.

Alpine County CASGEM (#7600-09) - The California Statewide Groundwater Elevation Monitoring (CASGEM) is a program that California has initiated to monitor groundwater levels. Fifty dollars (\$50) is budgeted this project.

Regional Pipeline Payment to Douglas County (#7610-10) - 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. This account is for payment to Douglas County.

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

Lahontan Valley Water Level Program (#7640-09) – Project #3 - Churchill County has requested a one-year extension of Interlocal Contract #2011-6 in order to utilize the remaining \$20,411.85 left in the grant.

Other Projects

Churchill County - Water Dedication Tracking Database - Project proposal #12 – Terri Pereira of Churchill County explained that Churchill County has been accumulating water rights an acre foot or two at a time since 2000 and now owns about 1,000 af which they are banking and leasing to water

right users. Churchill County needs a better way of keeping record of these water rights. They have received \$5,000 from TCID and \$5,000 from Churchill County for this project. They are requesting \$16,840 from CWSD for a two-year project to create management database (\$8,420 per year). Michael Stanka of Stanka Consulting explained that they have been working with City of Fernley to develop a similar Access database. All the information is hyperlinked and retained in one place. Churchill County staff time will be used to gather information, and Stanka Consulting will customize the database they created for Fernley to meet Churchill County's needs. Stanka will train Ms. Pereira so that once the current information is entered into the database, she could maintain and expand it.

USGS - Water Quality and Level Data Collection in Churchill County - Project proposal #13 - This is a two and a half year project with the request for \$8,900 in FY 2014-15, \$10,200 in FY 2015-16, and \$8,800 in FY 2016-17. David Berger of the USGS explained that this is a continuation of USGS's water quality and water level monitoring in Churchill Valley. They have decrease some of the sampling from eight to four or five samples and in target areas where agriculture has stopped to look at water levels. It is important to keep evaluating water quality. The Basalt Aquifer is stable in water level but there is a concern that increased water level draw down will bring in water quality issues. Churchill County is in favor of this approach. USGS matches the grant 50/50. Director McKenna asked how much data do we use if we don't continue this project. USGS is focusing on places where problems are being seen. We need to know what is going on in the long-term. Director McKenna emphasized the importance of weighing today's needs vs. future planning with the body of knowledge. Director Schank asked if Churchill County is contributing. The current proposal does not include any funding from Churchill County.

USGS - Simulating Shifts in Snowmelt Pulse - Project proposal #14 – Eric Morway of the USGS explained that the snowmelt is happening one to four weeks earlier due to temperature increases. This shift has an impact on runoff and groundwater flows. The proposal is to analyze future shifts in snowmelt. Director McKenna asked if high or low snow years matters in creating the model. Mr. Morway responded that the simulation is to determine how much the groundwater is impacted by snow melt. This year would be a good year to use as the low end point. If we aren't able to fund this project this year, the data will not be lost. Mr. Berger said that when the economics are much better it would be advantageous for the Carson River to be modeled all in one piece. It would help to put together a complete groundwater flow model. Director McKenna asked if this is important to understand what type of water is coming down to Carson City. Mr. Morway responded that the USGS flow model would allow information from any type of datasets to be overlaid onto the watershed model to get the snowmelt pulse. If there are a series of years of drought, models can help determine how it will impact availability for use.

Douglas County - East Fork Channel Restoration - Project proposal #15 - Erik Nilssen of Douglas County explained that there are some issues south of Riverview Road near the diversion structure. The diversion structure is failing and the river has left its historic channel due to sediment and beavers. If the river continues to go east, it will bypass diversion structure, harm golf course, and send floodwaters toward the Medical Center and the 7-11. Douglas County wants to restore the river and provide a more direct approach toward Rocky Slough and the Virginia structure. The project cost is estimated at \$125,000, but the actual cost will depend on permitting. There was some discussion about how this change might impact other areas of the river nearby. It is estimated that design may be double the cost of what construction will be. The Rocky and Virginia Ditch Company and the

Washoe Tribe were asked for matching funds. The irrigation company replaced the diversion structure last year so it doesn't have funds for design this year. Director Lynn noted that the need is clear; the problem is with permitting. Director Fierro expressed concern that this is not a boots-on-the-ground project but this is just for design. Mr. Nilssen explained that they may be able to use the LiDAR data to reduce survey costs, and he thinks he can reduce the request to \$100,000. This is the most important county project. Douglas County is not asking for any other project funding. When the irrigation users first brought this to his attention he realized that correcting this area is the most critical because it is the first bend south of the diversion structure and if the water leaves the channel here, it will go in a completely different direction. This area of leaving historic channel is a low point in the river. Brenda Hunt explained that she had a conversation with Dan Greytak about this. The Washoe Tribe had a discussion about removing the levee on the west side of the river on tribal lands. Perhaps removing levee and moving it to south of the golf course would help. Mr. Nilssen explained that he talked with the Tribe's Planning Director who approved project but had no funds to put towards the project. The Tribe is willing to accept the spoils onto their land.

Printing of Floodplain Protection Progress Map - Project proposal #16 – Ms. Hunt explained that John Cobourn and Steve Lewis of the University of Nevada Cooperative Extension (UNCE) have been working with Eric Schmidt and various others to log all the conservation lands from Lahontan Reservoir through Carson Valley. This can be shown as a Floodplain Protection Progress Map. They have also created individual maps per county which are more detailed. Director Fierro asked if the maps might be made into interactive maps online. Mr. James noted that it can be considered in the CWSD website updating. Mr. Cobourn and Mr. Lewis have worked on this project without reimbursement to this point and are now requesting \$500 to print the map. Mr. James noted that he hasn't shown it in the budget, but the printing could be done under Outside Professional Services.

Director Schank made the motion that the Finance Committee recommend approval of printing the Floodplain Protection Progress Map from outside professional services. Director Rawson seconded the motion which was unanimously approved by the Finance Committee.

Director Schank noted that the East Fork Channel Restoration (project proposal #15) is important but they can live with less than requested. Mr. James explained that there are 15 diversions so we don't want to set a precedent with work on one ditch diversion but need to show a watershed benefit going from the Allerman Canal downstream to see what the effects are. He emphasized that there is no match to CWSD funds. Mr. James raised his concern that this may not be the best way to fix the problem. He would like to take a broader view and then come back to consider funding the project design and finding other partners. Director Lynn noted that this is more than dealing with a diversion structure but necessary for flood control. Sediment accumulation is the biggest problem because of velocity reduction in the river and movement of the river channel. The main problem began in 1997. Mr. James noted that we could also use Floodplain Management Fund if this is deemed a flood project. Director Lynn we could put in a caveat with funding that the project has to be done with an overview of the whole area and approve \$30,000 to begin the process.

It was felt that the USGS Snowmelt Pulse Shift project could be postponed for another year.

The committee was in favor of funding the USGS Water Quality Level Data Collection in Churchill County (proposed project #13) in the amount of \$8,900 to provide continuity of data.

The Committee was also in favor of funding the Churchill County Water Dedication Tracking Database (project proposal #12) in the amount of \$8,420/yr. for two years.

Mr. James noted that the request for the two DVCD projects was for a total of \$75,000 instead of \$80,000 shown on the budget.

Item #4 - Discussion regarding the tentative Acquisition/Construction and tentative Floodplain Management Funds FY 2014-15 budgets. Mr. James explained that the Acquisition/Construction Fund is for regional projects.

Carson City - Costco Connection Project - Darren Schulz explained that the construction bid for this project is open until March. It is an interconnection between Douglas County and Carson City at the location of dead-end water lines in the Costco area. Douglas County and Carson City each have one line coming into the area. The intent to make connection between Douglas County and Carson City. If there were an emergency, like a fire, water would be more readily available. They are asking for a re-commitment of the CWSD funds for this project. The proposed line is about 4,000 ft. from in front of the Exhibit Hall at Fuji Park running west up Old Clear Creek Road and turning south on Vista Grande. The estimated cost is \$820,000 for a 16" line.

Item #5 - Discussion for possible action regarding recommendations for the tentative General Fund, Acquisition/Construction Fund, and Floodplain Management Fund FY 2014-15 budgets.

Director Schank made the motion that the Finance Committee recommend that the General Fund budget be approved except for rejection of the USGS Simulating Shifts in Snowmelt Pulse project this year, reduction of the Douglas County East Fork Channel Restoration Project to \$30,000, and correction of the DVCD projects request to \$75,000. Director Fierro seconded the motion which was unanimously approved by the Finance Committee.

Director Schank made the motion that the Finance Committee recommend reaffirmation of CWSD's commitment to the Carson City/Douglas County intertie at Costco and approve the Acquisition/Construction Fund budget as presented. Director Lynn seconded the motion which was unanimously approved by the Finance Committee.

Director Schank made the motion that the Finance Committee recommend approval of the Floodplain Management Fund as presented. Director Rawson 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, the meeting was adjourned at 12:50 p.m.

Respectfully submitted,

Toni Leffler
Secretary