

A meeting of the Walker River Irrigation District (WRID) Board of Directors was held on November 7, 2018. The meeting was called to order at 10:00 AM at the District Board Room, 410 N. Main St, Yerington, Nevada by President Jim SNYDER.

Present:

Jim SNYDER	President
David GIORGI	Vice President
Richard NUTI	Treasurer
Dennis ACCIARI	Director
Marcus MASINI	Director
Robert BRYAN	General Manager
Gordon DEPAOLI	Legal Counsel
Jessica HALTERMAN	Bookkeeper

Public Present:

George Lindesmith	Silas Adams, WBC	Laura Patton, WBC
Steve Tomac, WBC	Chad Walling, NSE	Sarah Fitchner, NSE
Mark Sivazlain, NSE	Ed Ryan, MVCD	Ryan Stanton, Douglas Co.
Louie Scatena	Robert Capurro	Joanne Sarkisian
Paul Reder	Gary Garms	

1. Public Comment:

Ryan Stanton, Superintendent of Douglas County Parks & Recreation, advised there have been improvements to the Topaz Lake Recreation Area. They have launched self-pay kiosks that are allow for year-round operation, installed a high definition security surveillance system, remodeled the bathrooms and dump station, and purchased \$50,000 worth of shade structures to be installed at the day use area.

2. Roll Call and Determination of Quorum:

All Board Members were present.

3. Consideration of Minutes of the October 8, 2018 Regular meeting.

Two corrections needed; add Lynda Giorgi to the guests present list and correct a spelling error on page 3 from Count to County. Director MASINI made a motion to approve the minutes with the corrections. Vice Chairman GIORGI seconded the motion. The motion was voted on and passed unanimously.

4. Water Master's Report:

Joanne reported 37- acre feet of stock water is currently being delivered. During the irrigation season, over 155,000-acre feet of decree water, 63,378- acre feet of storage water, and 18,295 of permit/flood water for an approximate total of 237,232-acre feet delivered. Current reservoir level in Bridgeport is 13,000-acre feet (31%) and Topaz is 20,140-acre feet (34%) with 24-acre feet coming out of Bridgeport and 17.1-acre feet being released from Topaz. General repairs and maintenance will be performed before next season; the weir is being discussed with NDOW and the other users. A USBWC board member, legal

counsel and the Water Master met with Walker Basin Conservancy on November 1st to discuss the potential delivery of decree once an order is provided; protocols are being developed and Joanne will keep the Board updated.

5. Staff Reports:

A. Treasurer's Report

Treasurer NUTI gave the Treasurer's report as of October 31, 2018:

Cash in Checking:	\$ 142,609.43
Cash in Money Market	\$1,522,394.73
Cash in CDs	<u>\$1,242,660.75</u>
Total	\$2,907,644.91

B. Consideration of Bills and Payroll for payment.

<u>Check Number</u>	<u>Effective Date</u>	<u>Vendor Name</u>	<u>Check Amount</u>
120430	10/1/2018	AT&T Mobility	176.16
120431	10/1/2018	The Paul Laxalt Group	6,500.00
120432	10/1/2018	Mason Valley Quicknet	410.00
120433	10/1/2018	Pitney Bowes Global Financial Services	212.02
120434	10/1/2018	Wells Fargo Card Services	2,342.88
120435	10/1/2018	Woodburn & Wedge	23,883.34
120436	10/1/2018	Desert Research Institute	11,691.21
120437	10/1/2018	USBWC	161,666.89
120438	10/2/2018	AFLAC	265.93
120439	10/2/2018	Ameritas Life Insurance Corp	787.40
120440	10/2/2018	Frontier	280.45
120441	10/2/2018	MF Barcellos	2,154.12
120442	10/2/2018	Southwest Gas Corporation	38.16
120443	10/11/2018	Giomi, Inc.	197.87
120444	10/11/2018	AT&T	138.06
120445	10/11/2018	NAPA AUTO & TRUCK PARTS	224.23
120446	10/11/2018	Lyon County Recorder	28.18
120447	10/11/2018	Nevada Energy Systems, Inc.	400.00
120448	10/11/2018	True Value	93.38
120449	10/11/2018	O'Reilly Automotive, Inc.	126.96
120450	10/11/2018	Purchase Power / Pitney Bowes	472.96

120451	10/11/2018	Jim Menesini Petroleum	990.04
120452	10/11/2018	NV Energy	256.56
120453	10/11/2018	City of Yerington	139.50
120454	10/30/2018	Nevada Employment Security Division	1,600.99
120455	10/29/2018	Ameritas Life Insurance Corp	787.40
120456	10/29/2018	Ferguson Enterprises, Inc. 1423	29,730.00
120457	10/29/2018	MBK Engineers	7,597.50
120458	10/29/2018	NWRA	670.00
120459	10/29/2018	Public Employees' Benefits Program	2,409.87
120460	10/29/2018	Quill	116.37
120461	10/29/2018	Cal Poly Corporation	95,285.14
120462	10/29/2018	Standard Insurance Company	501.24
120463	10/29/2018	Verizon Wireless	443.92
120464	10/29/2018	White Cap Construction Supply	856.90
120465	10/29/2018	HomeTown Health	7,947.41
120466	10/29/2018	O.A.K. CUSTOMS	1,870.86
120467	10/29/2018	Sierra Office Solutions	155.06
120485	10/29/2018	PERS Administrative Fund	6,540.49
PAYROLL		PAYROLL OCTOBER 2018	36,234.27

Total Bills & Payroll \$ 406,223.72

Vice Chairman GIORGI made a motion to approve the bills for October 2018; Director MASINI offered a second. The vote was called for and passed unanimously.

C. Manager's Report

GM BRYAN advised the current reservoir pools are:

Bridgeport 13,000 acre-feet (31% capacity)

Topaz 20,140 acre-feet (34% capacity)

Stock water is being delivered, as Joanne mentioned. The minimum flows are being met at Bridgeport and Topaz; water is being stored in both reservoirs as of November 1st.

GM BRYAN advised the shop crew is working on regular scheduled repairs and maintenance on the canals and drains. They have a few side projects scheduled on private canals, but they should be wrapped up by the end of the month. The hope is to reroute the crew to Smith Valley by the end of the month to start the Lateral A

project. There are upgrades to the Topaz Diversion scheduled. The last big upgrade was in 2007 with the intent to automate the operation, but attempts have been unsuccessful with a previous integrator. The upgrade will include new sensors and equipment and a camera surveillance system.

GM BRYAN reported there is no update on the BOR studies. The last conversation indicated the local tribes will need to be contacted to rule out any tribal significance at the project sites. Treasurer NUTI asked if it would be beneficial to send letters to the state and government officials requesting they look at the agencies timelines for performing the studies. It makes no sense for BOR to award an agency money for projects and then take a year to complete the studies. GM BRYAN advised he attended a conference where BOR reported that the process has been improved and is working more efficiently so it is scary to think of what the process was before the improvements. GM BRYAN advised that if the Board would like to send letters, he would not be opposed.

GM BRYAN attended the USCID Conference in Phoenix from October 15-19 where he attended meetings and spoke to the District's engineers. The District has put in for a \$15 million federal NRCS grant for a watershed approach. GM BRYAN met with Dr. Styles and experts in the watershed field and spoke to them regarding the application. If successful, the District could develop a formal watershed plan that would pinpoint the sediment sources and outline sediment control and improvement to the modernization structures.

GM BRYAN has been in contact with Nevada Safety Dams. The annual inspection is scheduled for 7:00am on November 27th at the Topaz Gatehouse; California Safety Dams has not contacted the District to schedule the inspection, but with the changes, they are busy. Vice Chairman GIORGI requested to know if the gates will be shut; GM BRYAN advised they will probably cycle the gates as Nevada was not present at last year's inspection.

GM BRYAN spoke to Tim Bardsley with NOAA and asked that he present at the December meeting since there is no significant weather yet.

Gary GARMS requested to know if the water leasing program would be considered for next irrigation season. GM BRYAN advised the District has been working with WBC and USBWC to create a plan that complies with Nevada and California. The plan is in the beginning stages but is in progress.

D. Legal Counsel's Report:

Counsel DePAOLI's report is noted under Item 6.

E. Review and Approval of Monthly Storage Transfers.

Vice President GIORGI made a motion to approve the monthly storage transfers. Director MASINI seconded the motion. The motion was voted on and passed unanimously.

6. **Time Specific 10:15 AM: Report from Legal Counsel on Protests filed to Walker Basin Conservancy Change Application Nos. 88160 through 88162 with the Nevada State Engineer's Office.**

Counsel DEPAOLI reported Walker Basin Conservancy filed three additional change applications with the Nevada State Engineer to change acquired water rights with a point of diversion at the weir to instream for the benefit of Walker Lake. The applications filed appear to have been filed with the intent of following what had been stipulated with Application 80700. In order to ensure the ability to participate in potential hearings in front of the Nevada State Engineer relative to the three applications, protests must be filed. The District filed the protests with the intend that it is okay to approve the applications subject to conditions that are closely in line with the conditions of the first application. These changes are to follow the ultimate outcome of the litigation that was previously before the District Court and the 9th Circuit. Overview of the stipulations are: the quantity would be limited to the consumptive use portion; the manner of use would be for wildlife; all subject to the continuing jurisdiction of the Nevada State Engineer, water commissioners and decree court; all conditions would be according to the decree; water to be administered as the 80700 stipulation; same with the non-consumptive portion. Lastly, there was a stipulation between National Fish and Wildlife Foundation, Walker River Tribe and the Bureau of Indian Affairs concerning how the changed water would be managed once it hit the Walker River Indian Reservation. They had a stipulation and conveyance protocol that was included in the protests and water must be conveyed consistent with that stipulation. Walker River Tribe filed a protest and stated they are working with NFWF/WBC on an update of those conveyance protocols that will potentially replace the old protocol with a more current one to ensure the tribe's water rights, as they exist, are not adversely affected. As of yesterday, there does not appear that any other protests were filed. The tribe referred that the United States has filed, but it did not appear on the website. The USBWC has provided the State Engineer with a letter of comments and have indicated they would participate as a party in any proceedings in front of the NSE as authorized by the court's administrative rules. Expect that we will have conversations with the WBC and perhaps others to see what are going to be any other real issues to be handled and move forward expeditiously. Treasurer NUTI questioned when the filing time closes; DePAOLI advised the filing time has closed.

7. **Update from the Division of Water Resources regarding groundwater pumping and upcoming field work schedules.**

Chad WALLING reported groundwater pumping through the beginning of October is around 18,800 acre-feet in Smith Valley and 41,800 acre-feet in Mason Valley. The groundwater pumping started to taper off toward the end of October. Fall water level measurement levels will be obtained soon. Chad reported that hopefully in December he will have trends for the season. 2017 data is available on the website and hopefully 2018 data will be available soon.

8. **Presentation from the Division of Water Resources regarding water user requests to expand the period of use of supplemental groundwater rights to January 1 to December 31 in order to make such water available for beneficial use when surface**

water is not available because of the March 1 to October 31 irrigation season provided for in the Walker River Decree.

Chad WALLING reported the NSE Office has received interest from valley water users in extending the period of use of supplemental groundwater to encompass the entire calendar year. Some alternative crops require water during non-irrigation season and, right now, getting water on the crops is virtually impossible. Chad stated the NSE Office is looking for questions, comments and/or concerns from water users on extending the season. Each user would still be held to the 4.0 acre-foot per acre from all sources no matter when the water is being taken. Chad stated the engineers are researching how the year-round pumping would impact the aquifer. Treasurer NUTI inquired if all primary rights would be January through December; Chad confirmed primary rights would be January through December. George Lindesmith asked if an application to change the period of use for supplemental rights would be necessary; Chad advised he believes so also a manner of use would need to be addressed. Treasurer NUTI confirmed that the 4.0 duty would stay the same; Chad stated the duty is set to stay the same. Chad stated the NSE Office is still in the beginning stages of the project, but is completely open to feedback, scenarios and answering questions and he urges users to take the opportunity. GM BRYAN inquired on if the intent of the program is to run it locally or will other areas of the state be offered the same; Chad advised he is not certain what the stated engineer's plan is. Chad introduced Mark Sivazlain, Mark advised the users who are currently testing the year-round pumping seem to be happy with the opportunity. The NSE wants to offer flexibility for the users to improve production. President SNYDER advised onion crops would benefit from the proposed change as well. Chad stated their main goal is to assist with economic growth and to allow options for the water users. Louie Scatena advised no matter what, the farmer is ultimately responsible for being under the 4.0-acre duty and they (farmers) will need to keep accurate records and plan accordingly. Scatena inquired if there is a greater impact on the aquifer if water is being pumped during the off season than if it is only pumped during the irrigation season; Chad advised he was uncertain and that is a consideration the NSE has looked at. Director MASINI advised the aquifers fluctuate all the time, what really matters is when the NSE is doing the readings. No one wants to see the aquifer decrease and no one wants to see the curtailment again. Chad advised the NSE does a spring water level reading in the spring before the irrigation season, but if the project does go through, the office may need to adjust when they do the readings.

9. Update by Walker Basin Conservancy on activities related to the Walker Basin Restoration Program, including Acquisitions and Conservation and Stewardship Activities.

Silas advised the Storage Water Lease has closed with approximately 1,000 acre-feet remaining. Steve Tomac advised Joy Morris has resigned and is no longer with the conservancy. Tomac introduced the new lands director, Laura Patton. Laura will be taking over his duties in the restoration and stewardship projects. Laura advised she will be in Yerington on Tuesdays and Thursdays. Steve advised the Conservancy is starting a native plant nursery and the manager position is open. Steve stated the website has been updated and is nearly current on all activities including equipment sales and acquisitions.

10. Update by Bridgeport Ranchers Organization (BRO) on activities related to the Bridgeport Watershed Approach.

GM BRYAN advised he spoke to Steve Fulstone. They are currently working with NRCS and Lahontan Water Quality on the suggested changes on the District property in Bridgeport. The hope is to have a presentation and have sketches on alterations and/or enhanced structures on the District property.

11. Presentation by Paul Reder regarding proposal to Douglas County by Bass Camp Music Festival, Inc. and PR Entertainment, Inc. to hold Bass Camp Music Festival at Douglas County Park at Topaz Reservoir July 25 through July 29, 2019.

Paul Reder introduced himself, his companies and the intention of his presentation. Paul advised he has been in the entertainment business for 30 years and his companies have headlined major artists and orchestrated many large concerts. His company recently contacted Douglas County to inquire about an all-day DJ event at Topaz Reservoir. Paul's slideshow presentation demonstrated the expectation of the event (campground layout, facilities, security, emergency services, etc.) The event is self-sufficient and will be contained to the Douglas County Topaz Recreation Area. Local emergency service agencies, hotels and RV parks have been contacted and appear to be in support of the event. Unity Travel from Las Vegas will supply the shelters in the form of Qube tents. Shower trailers, internet café, food & beverage vendors, and portable toilets/hand washing stations will be brought in by the entertainment company. Paul is looking for support of the Board for the event to be held at the Topaz Reservoir. A portion of each ticket fee will be paid to WRID for an approximate \$12,000 revenue opportunity. Vice Chairman GIORGI advised the outlet drain is in the area of the proposed camp area and asked what precautions would be taken. Paul advised everything possible will be done even if it means additional buoys and a lifeguard. Director MASINI asked if motorized boats would be allowed in the area; Paul stated they are hoping for only rubber rafts, but that could be a stipulation stated in the registration. Ryan Stanton advised the dates conflict with the country music event in Yerington, but the fan base is completely different. Vice President GIORGI asked if a mobile hospital would be present; Paul stated REMSA would have a fully staffed medical tent during the entire event. Also, local fire departments have been contacted and there will be ambulances and firetrucks on standby at the event. There was also a concern about a fire outside of Topaz and the highway being closed, but the entertainment company has insurance that would cover that scenario. Treasurer NUTI asked what the current campfire restrictions were in the park; Ryan Stanton advised the current regulations state the fire must be in enclosed fire rings; for the festival, no campfires would be allowed in the general admission area.

12. Discussion and consideration of resolution authorizing Board President to execute a 30-year Lease Agreement with Nevada Copper, Inc. for the District property described as Lyon County APN # 004-023-06 known as the Wabuska Property Lease.

Bert advised the latest version of the lease is included in the packet. Gordon DEPAOLI advised the direction from the last meeting has been included in the latest version. The proposed lease is a 30-year lease with an option to renew for additional 10 years. The initial rent is \$25,000 per year to be increased annually based on the Consumer Price Index with a 3% cap. The option to purchase the property has been eliminated, but there is a Right of

First Refusal term. Nevada Copper does not want to have to come to the District every time they do an improvement, so there is a stipulation that if any improvement is over \$100,000, they would need Board approval. Regarding the concern of what happens to the improvements at the end of the lease, Nevada Copper would like the ability to remove any improvements on the property provided they do so within 90 days; after 90 days, the improvements stay with the property and belong to the District. Nevada Copper will provide liability insurance with the District as an additional insured in the amount of \$2 million for single occurrence and \$4 million aggregate. Vice President GIORGI questioned what would happen if Nevada Copper is purchased by another company and the District does not approve of the company. DEPAOLI advised Nevada Copper cannot assign or sublet without the Board's consent. If Nevada Copper were to be acquired by another company and Nevada Copper would still be in existence, the lease would continue. President SNYDER asked whether the \$100,000 is per project or overall. DEPAOLI advised the amount is per project, but it is not addressed in the lease on breaking large projects into smaller pieces to avoid the limit. DEPAOLI advised that in speaking with Nevada Copper's attorneys, they have no intention of breaking up projects to avoid Board approval. Bob McKnight advised the Wabuska Property is an integral part of their transportation plan. The intended projects would possibly include a guard shack, a few outbuildings, a few additional tracks off the rail line, so the projects are not anything that could be broken down to avoid getting Board approval. Also, all improvements would be subject to Lyon County building codes and permits. Bert advised all building permits must be reviewed by WRID. Director MASINI inquired about contamination of the property and what materials are being transported. Bob advised most of the material is copper concentrate that is being shipped in sealed containers. Nevada Copper's intention is to eliminate the chance of escapement at all costs. Material transfer will occur in the safest practice possible. MASINI questioned if the lease included anything about if there is a contamination incident; DEPAOLI advised the lease does cover the potential for an incident. SARKISIAN questioned what would happen if the ground is contaminated after the lease is done. Bob stated there is a pile of product from the previous tenant on the property, but an environment assessment was performed, and it was determined not to be a contaminant. DEPAOLI advised the lease does address the need to comply with environmental regulations and would be required to remedy any problems, but it is a potential risk that the District takes. Vice President GIORGI asked if Nevada Copper would be responsible for permit costs; Bob advised Nevada Copper would be responsible. DEPAOLI clarified that a modification to the lease be made to include that single projects cannot be broken into smaller projects to avoid Board approval; Vice President GIORGI agreed that needs to be done. Vice President GIORGI made a motion for the Board President to execute the lease with provisions. Treasurer NUTI offered a second. The vote was called for and passed unanimously.

13. Discussion and consideration of possible financial contribution from the Walker River Irrigation District's Reservoir Fund to the Mason Valley Conservation District for purchasing a new pump for Yerington Dredge not to exceed \$7,500 to help make it operational.

Ed RYAN advised work on the dredge has gotten it running, but, when tested, it was not producing as it should. The pump was found to be insufficient and obsolete, so a new pump

has been considered. The new pump is going to cost approximately \$30-\$40,000. Approximately \$25,000 in contributions have been obtained, but the remaining contributions are being sought. The Mason Valley Conservation District is asking for no more than \$7,500 from WRID. Once the pump is purchased and installed, it is expected to help remove the sediment from the area of the weir and assist with sediment control. GM BRYAN advised the District does not own the weir, but historically, the District has assisted with maintenance. The hope is that once the dredge is running, it will decrease the sediment load and decrease the amount of times the District must send an excavator to remove the sediment. Director MASINI advised there has been a lot of talk and money put into the dredge and nothing seems to work. Ed advised an engineer has been consulted and has designed a pump that will do what was originally expected from the dredge. Ed stated the expectation is to pump 100,000 tons of sediment per hour and the engineer has guaranteed that is reasonable. Vice President GIORGI inquired whether the dredge would work in low water; Ed stated it would. Treasurer NUTI asked who initially put the pump in; Ed stated he was not certain, but the dredge was purchased from a salesman. Treasurer NUTI inquired on where the sediment will go once it is removed; Ed stated it would be up to Tony Reviglio as it would be deposited onto his land. President SNYDER asked if an engineering report could be provided on the pump; Ed advised he would get one and distribute it to the Board. Vice President GIORGI asked if the water returns to the river system; GM BRYAN advised the dredge has a return pond, so the water would be returned to the river. Ed stated originally, the City of Yerington's water right would cover the trans evaporation loss via a temporary exchange and the Perumean well would be used in the exchange. Treasurer NUTI inquired about who pays for the continual maintenance and repairs; Ed stated the material would pay for the repairs and maintenance. Currently, Tom Reviglio has been covering the power costs while the dredge work is being performed. President SNYDER advised he would like to see the engineering plans for the pump and table the item until the Board can review the plans.

14. The Board of Directors will organize by appointing a Secretary who need not be a member of the Board and who also may be the Treasurer.

GM BRYAN advised the previous secretary has resigned from WRID and a new secretary must be appointed. Jessica HALTERMAN advised she would be willing to fill the position if the Board approves. Director MASINI made a motion to appoint Jessica HALTERMAN as the Board Secretary. Director ACCIARI offered a second. The vote was called for and passed unanimously. Vice President GIORGI asked if the Board can review employee reviews; GM BRYAN advised the Board is more than welcome to view employee files and participate in the annual reviews.

15. Director Comments:

Vice President GIORGI asked if Antelope Valley paid a past invoice; Secretary HALTERMAN advised the invoice had been paid.

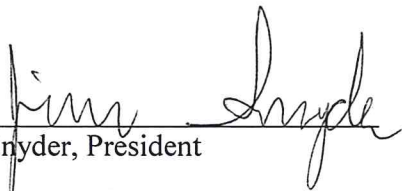
President SNYDER advised the Campbell Ditch is moving forward with repairs and upgrades to the headworks and the split. GM BRYAN advised Ed RYAN is spearheading the WaterSMART grant and is going through the process.

16. Public Comment:


None presented.

17. Adjournment:

Vice President GIORGI made a motion to adjourn the meeting. Director ACCIARI seconded the motion. The motion was voted on and passed unanimously. Meeting was adjourned at 12:00 PM.



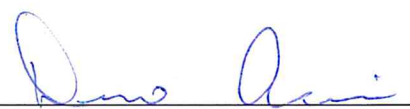
Jim Snyder, President



David Giorgi, Vice President



Richard Nuti, Treasurer



Dennis Acciari, Director



Marcus Masini, Director