

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
SOUTH YUBA WATER DISTRICT**

**RUE DUCK CLUB BUILDING**  
**2176 Hoffman-Plumas Road, Marysville, California**  
**(Across from Rue Shop)**

**May 4, 2013 at 9:00 a.m.**

**NOTICE:** Some members of the Board of Directors may participate by teleconference. In such case, Board members and members of the public who wish to participate may call **(866) 398-9973 (outside U.S., call (719) 867-1472), and Participant Passcode 592824.**

The outgoing phone line to be utilized will be (530) 633-9510. If difficulties are encountered, call (916) 747-0697.

---

**AMENDED AGENDA**

**It has been determined that a quorum of Directors are unavailable to attend the April 30, 2013 meeting as previously noticed. Therefore, the meeting will be postponed to May 4, 2013 at 9:00 a.m..**

1.0 Call to Order.

1.1 Consideration of approval of Minutes of the Special Meetings held on January 31, 2013, March 4, 2013 and the Special Meeting held on March 7, 2013.

2.0 Treasurer's Report.

2.1 Discussion of Warrants

Action proposed: Approval of Warrants.

3.0 Warrants and Invoices:

Action proposed: Approval by Board of warrants and invoices received but not previously paid.

4.0 Consideration of adoption of alternative motions relative to “removing” the Encroachment Agreement relating to building the pipeline, removing the Encroachment Agreement relating to maintaining and being liable for the sewer crossings of the Hofman-Alfaro Lateral and the Districts’ Main Canal and removing the Landowners Agreement as covenants running with the approximate 50 acres to be acquired by the United States.

Option 1: “It is moved that the Board of Directors elect not to remove the Encroachment Agreements and Landowners Agreements as covenants running with the land binding upon the successor owners of the 50 acres, provided that the conditions established by the District are complied with in full before recording.”

Option 2: “It is moved that the Board of Directors, subject to the conditions established by the Board hereafter in this meeting to be performed prior to recordation, cause to be recorded instruments removing the two Encroachment Agreements and Landowner Agreements as covenants running with the land and binding upon the parcel of real property and successor owners of that parcel to be acquired by the United States.”

Action Proposed: The Board adopts one of the options. If Option 1 is adopted, no further discussion need occur. If Option 2 is adopted, the Board will proceed to establish the conditions, which are separate agenda items hereafter.

5.0 CEQA compliance in regard to acts to be undertaken if the Board adopts conditions related to completion of pipeline, detachment conditions agreement and reconfiguration of the Hofman-Alfaro Lateral to a pipeline.

Discussion: It can be argued that the District must examine whether there are environmental impacts from the proposed conditions or if there are categorical exclusions from CEQA for the actions proposed.

Action Proposed:

- 5.1 If the pipeline is completed, new construction will be performed to connect the existing pipeline to the pipelines under Forty Mile Road and to the Main Canal. This work would appear to be subject to *CEQA Guidelines* Section 15304, a Class 4 categorical exemption for “Minor Alterations of Land” involving “minor trenching and backfilling where the surface is restored.” In addition, this work may be under Guidelines Section 15301 as a Class 1 exemption as a “minor alteration of an existing facility involving a negligible expansion of use.” A Notice of Exemption would be adopted on this subject.
- 5.2 The removal from title of the Encroachment Agreements and Landowner Agreements has no environmental impact because it is not a physical act affecting the environment, nor does it lead to or cause such a physical act affecting the environment.
- 5.3 The establishment of a rate to be paid by detached land for that detached lands’ continued obligation to allow the operation and maintenance of the District is a Statutory Exemption matter under Guidelines Section 15273, which states: “CEQA does not apply to rates...which the public agency finds are for the purposes of meeting operating expenses...”. A Notice of Exemption would include this finding by the Board.
- 5.4 The shifting of the 60-foot easement from its existing location to a location which will provide approximately a 15-foot expansion to the North and the release of approximately 15 feet to the South maintaining the same width involves no physical environmental effect, but the terms of *CEQA Guidelines* Section 15325 containing a Categorical Exclusion that allows the transfer of interests in land to maintain agricultural use seems to also apply. Once the Hofman-Alfaro Canal is refilled with dirt, the area of the easement which is renounced to the South will be available for agricultural use. The Board could make this finding as part of its Notice of Exemption.

Action Proposed: The Board makes findings that each of the above actions, if ordered by the Board as conditions of the lifting of the Encroachment Agreement and Landowner Agreements, is exempted from CEQA and further has no environmental impact, and that a Notice of Exemption be filed with the Yuba County Clerk by the Acting Secretary of the District. The Board will further direct that the Motorplex Agreement include a specific indemnification and defense obligation for any action filed challenging the compliance with CEQA or any other state law and the expense and cost of remedying any violation found, if one is so found.

6.0 The proposed conditions to be included in the Motorplex Agreement:

6.1 Should the pipeline project be completed during the winter and spring of 2014?

6.2 Should the easement upon completion of the project and upon commencement of testing be shifted approximately 15 feet north and the easement be removed from approximately 15 feet to the South upon completion of refilling the ditch and delivery of title to the pipeline?

6.3 Should Motorplex be required to deliver an unconditional Letter of Credit to the District immediately and in what amount to secure performance of the completion and execution and recording of the Motorplex Agreement? Amount:  
\$\_\_\_\_\_

6.4 What should be the percentage of standby, water and assessment amounts, if not the whole amount, paid on behalf of any lands detached from the District per-acre as they develop, including the United States parcel commencing upon its transfer of title to the United States? Amount: \$\_\_\_\_\_ per acre.

6.5 No title Company will insure that there are not intervening deeds of trust or obligations which could result in terminating the effect

of the agreement of Motorplex to assume the obligations of the property to be deeded to the United States to enforce and perform the Encroachment Agreements and the Landowner Agreements. The District attorney can review the records in Yuba County and attempt to identify any instruments which may require consents from intervening holders or creditors. Does the Board accept this process as adequate to protect from the arguments or contentions that the Motorplex property or its successor owners may escape the obligation to pay the in-lieu charges upon the United States ownership or pay the United States parcels' share of the Encroachment Agreement obligations to indemnify, defend and repair under the sewer line and pipeline Encroachment Agreement terms and the terms of the Landowner Agreements? Yes: \_\_\_\_\_ No: \_\_\_\_\_

6.6 The District has incurred attorney fees and engineering fees and will incur more. Is it a requirement that those fees incurred up to the recording be remitted into escrow and paid, and that the fees incurred thereafter in enforcing or implementing the Motorplex Agreement, Encroachment Agreements and Landowner Agreements be reimbursed to the District?

7.0 Consideration of approval by South Yuba Water District of the Fourth Amendment to the Yuba County Water Agency - Department of Water Resources' State Water Project Agreement for Conjunctive Use.

Action proposed: Approve \$190 per acre-foot. There is no assured purchase in 2013.

8.0 Formation of a JPA to take over the operation, maintenance and gabion defense from the Agency.

Action proposed: Explanation of current positioning.

9.0 Report on maintenance problems with South Yuba System.

Action proposed: Unknown

10.0 Executive Session under Government Code Section 54959.9(a) and (b).

Action proposed:

1. South Yuba and Cordua v. SWRCB, San Joaquin Superior Court Case No. 026505. Status Report.
2. Administrative procedures of Bureau of Reclamation and DWR being applied to groundwater transfers from North of Delta to South of Delta.
3. SWRCB Workshops on proposed North of Delta Water Quality Release Standards. Proposed unimpaired flow standards.

11.0 Adjournment.

Dated: April 25, 2013

SOUTH YUBA WATER DISTRICT:

By:   
\_\_\_\_\_  
PAUL R. MINASIAN, Acting Secretary

### **Declaration of Service**

I, Jeanne Beers, declare I am employed by the law firm of MINASIAN, SPRUANCE, MEITH, SOARES & SEXTON, LLP. My business address is 1681 Bird Street, Post Office Box 1679, Oroville, California 95965-1679. I am over the age of 18 years and not a party to this action. I served the following document in the manner set forth below:

(X) **Service by Mail (Collection)**: By enclosing a copy in an envelope addressed as shown below and placing the envelope for collection and mailing on April 25, 2013, at Oroville, California, following our ordinary business practices. I am readily familiar with this firm's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

(X) **Electronic Transmission on Service Date**: By electronically mailing to the person named at the email address as indicated on the Service List below. No return transmission was received this date indicating that the email transmission did not transmit properly to the recipient.

**Document(s) Served:**      **Agenda for Special Meeting of South Yuba Water District to be held on May 4, 2013, 9:00 a.m.**

**Person(s) Served:**

VICTOR GRAF, TREASURER  
SOUTH YUBA WATER DISTRICT  
3939 WALNUT AVENUE #296  
CARMICHAEL, CA 95608-2198  
[vnlgraf@sbcglobal.net](mailto:vnlgraf@sbcglobal.net)

GERALD NORENE, DIRECTOR  
SOUTH YUBA WATER DISTRICT  
3629 Bear River Drive  
Rio Oso, California 95674-9641  
[jnorene@succeed.net](mailto:jnorene@succeed.net)

MICHAEL RUE, PRESIDENT  
SOUTH YUBA WATER DISTRICT  
P O Box 8  
RIO OSO, CA 95674  
[MERue@syix.com](mailto:MERue@syix.com)


Jeanine Upton  
Yuba County Water Agency  
1220 F Street  
Marysville, California 95901-4226  
**SERVED VIA EMAIL TRANSMISSION**  
[jupton@ycwa.com](mailto:jupton@ycwa.com)

GARY MILLER, DIRECTOR  
SOUTH YUBA WATER DISTRICT  
9614 STERN LANE  
BROWNS VALLEY, CA 95918  
[garymillerrealty@att.net](mailto:garymillerrealty@att.net)

**PLEASE NOTE: MS. UPTON, PLEASE  
POST THE AGENDA AS SOON AS IT IS  
RECEIVED. THANK YOU.**

JOHN BELZA, DIRECTOR  
SOUTH YUBA WATER DISTRICT  
POST OFFICE BOX 2113  
MARYSVILLE, CA 95901

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this Declaration of Service was executed on April 25, 2013, at Oroville, California.

  
\_\_\_\_\_  
Denise Dehart