A regular meeting of the Board of Directors of the Yuba County Water Agency was held on the above date, commencing at 9:00 A.M. within the Yuba County Government Center, 915 8th Street, Marysville, California.

ROLL CALL

<table>
<thead>
<tr>
<th>Directors</th>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Randy Fletcher (Chair)</td>
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<tr>
<td>Brent Hastey (Vice Chair)</td>
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<td>Gary Bradford</td>
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<td>Mike Leahy</td>
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<td>Doug Lofton</td>
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<tr>
<td>Charlie Mathews</td>
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<tr>
<td>Andy Vasquez</td>
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Staff in Attendance
DeDe Cordell, Communications Manager
Mike Kline, Power Systems Manager
Kurtis Crawford, Finance Manager
Jackie Sillman, Community Impact Specialist
Alex Boesch, Public Information Specialist

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Director Vasquez.

PUBLIC COMMENT

Charles Sharp – Challenge water tank project, Yuba Water Agency is making the grant application. Asked if the Agency is administering the project for the North Yuba Water District. It was suggested Mr. Sharp contact Scott Matyac for information.
APPROVAL OF CONSENT ITEMS

A motion was made by Director Leahy, seconded by Director Lofton, to approve all Consent items shown on the agenda and duplicated below for reference purposes.

1. Approval of the Minutes the regular meeting of February 18, 2020.

DISCUSSION ITEMS

2. Annual legislative update by Pilar Onate of the Onate Group, legislative lobbyist on behalf of the Agency. (Est. Time: 15 Min.) (Cont. from 2/18/20 Item 7)

Pilar Onate was present to provide the Board with the legislative update.

No formal action taken.

3. Receive a presentation from staff with an update about current water education efforts, and hear from Nicole Marshall-Wheeler, the 4-H Youth Development Advisor for Yuba, Sutter and Butte counties about the success of Water Wizards program targeting 6th graders in Yuba County. (15 Min.)

Nicole Marshall-Wheeler was present to provide the Board with an overview of the Water Wizards program.

No formal action taken.
MANAGER’S REPORT

Project Operations: The project continues to operate within compliance.

Start Date: 00:00 03/02/2020
End Date: 00:00 03/03/2020

Printed on: 03/03/2020

Storage data are instantaneous values at the end of the period; flow data are average values for the period.

<table>
<thead>
<tr>
<th>New Bullards Bar Reservoir</th>
<th>Englebright Reservoir</th>
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</thead>
<tbody>
<tr>
<td>Elevation (Ft): 1,882.45</td>
<td>Stream Flows</td>
</tr>
<tr>
<td>Flood Space Req’d (AF): 170,000</td>
<td>Englebright Outflow: 955</td>
</tr>
<tr>
<td>Critical Storage Line (AF): 0</td>
<td>Marysville: 822</td>
</tr>
<tr>
<td>Storage (AF): 653,709</td>
<td>Narrows 1 Gen\Bypass Flow: 0</td>
</tr>
<tr>
<td>Flood Space Avail (AF): 312,394</td>
<td>Narrows 2 Gen\Bypass Flow: 810</td>
</tr>
<tr>
<td>% Total Capacity: 68</td>
<td>Spill: 0</td>
</tr>
<tr>
<td>Flood Space Req’d (%): 184</td>
<td>Excess Flood Space (AF): 142,394</td>
</tr>
<tr>
<td>% Usable Capacity: 57</td>
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NERC / WECC: The agency continues to operate in compliance with NERC/WECC Electricity Reliability Standards.

Colgate Governor Optimization: In an effort to improve generator performance, the team will be making improvements to Colgate Unit 2’s governor control this week. The goal is to mimic work that was done in November of 2019 on Unit 1, which allowed the generators to go from full load to zero in about 6.5 minutes verses 15 minutes. This increases our ability to quickly follow the market and potentially increase revenue.

Cottage Creek Additional Parking: As required by the existing FERC license, the Cottage Creek Parking will be modified to include additional parking, pavement seal coat, and additional features. A bid walk was very well attended on February 20th with bid opening taking place on March 6th. Construction is expected to start as early as April.

N2 Fire System: A Very Early Smoke Detection Apparatus (VESDA) will be installed in the Narrows 2 powerhouse. Upon completion, this system will be very similar to the system installed at Colgate powerhouse. Construction of the Narrows 2 system starts in early March and runs through mid-April.

Power Systems Headquarters: Civil work for the Power Systems Headquarters was scheduled to begin this spring. Based on recent discussions with the project team and executive team, we are planning to postpone construction at this time. Due to significant agency changes, the teams are taking this time to conduct further analysis - to review and refine the project objectives and overall project plan - to ensure the new facility meets the long-term needs of the agency. The analysis will include review of current and future agency staffing structure, potential future agency facilities for the Marysville employees, and how these teams will most effectively
integrate business processes going forward. The expected timeframe for the postponement is undefined but is estimated to be 6-12 months.

**Special District Transmission and Distribution line liability:** Last week, there was an announcement that five special districts, including Nevada Irrigation District, will lose their liability coverage for their transmission and distribution lines. Coverage has been provided by the Special District Risk Management Authority, which notified the special districts of their intent to exclude this coverage. This is a significant development in the area of business liability and risk for these special districts. Yuba Water has been aware of this risk, especially over the past several years, as we separated facilities from PG&E and negotiated the purchase of the Narrows 1 facility. We have successfully avoided this issue by ensuring that we do not own transmission or distribution assets, in order to eliminate this business risk. We currently do not own and are not responsible for transmission or distribution assets. We remain focused on generation, flood risk reduction and water delivery assets.

**Power Sales Monthly Highlights:** January Power Systems revenue totaled $5 million and we generated ~72 thousand MWhs during the month. The average day ahead hourly price was $33/MWh which is down $7 from December’s average price.

For the fiscal year through January, Power Systems revenue totals $36 million, which is below budget by ~$2 million. The 6% variance is due to lower than anticipated energy prices. Generation is currently 6% above forecast through January. However, given the most current hydrology forecast, generation is anticipated to be 22% (300k MWhs) below original forecast for the 19/20 fiscal year. The decrease is due to low precipitation.

For February, Power Systems revenue is $3.5 million thru February 23rd including monthly resource adequacy. A full report on February power sales will be provided at the 1st board meeting in April.

**Forecast Update:** Last month was the driest February on record for many areas of Northern California including our watershed. It was looking like it was going to be completely dry, but then we were blessed with 0.3 inches between 7pm and midnight on Feb 29th (leap day). Next chance of precipitation looks to be next week, with potentially a shift to a wetter pattern but confidence is low.

Measured precipitation at Colgate and observed runoff into New Bullards Bar is around 50% and April-July forecast is down to 40% and expected to drop as no major storms are forecast. Also concerning is a sharp drop off in forecast from one month ago in local snowpack -- from around 80% of average a month ago down to just 45% now. One small bright note is Bullards storage is around 650,000 acre feet and near 100% of average for this time of year.

**Forest Health and FIRO Collaboration:** At a recent FIRO steering committee meeting, the idea came up that there may be an opportunity for collaboration on observations and equipment in the watershed that could support both FIRO and our Forest Health research efforts, and as a result, Scripps and UC Berkeley are now collaborating on some meteorological instrumentation sites.
**Recruitment:** Applications are being accepted and screened for the Electrical Technician position and Information Security Administrator. Senior Public Information Officer Position is in the final interview stage.

**Community Relations:** We participated in the Bok Kai Parade on February 22nd. Last Friday night we sponsored the Chamber’s Gala and Awards Dinner. Upcoming sponsorships include: Yuba Garden’s Pride Dinner March 7th, International Women’s Day Brunch on March 8th, and the Farm Bureau’s Spring Fling on March 20th. We are also sponsoring and competing again this year in the Lip Sync Battle, a fundraiser for Shady Creek Outdoor Education on March 13th.

**Media Relations:** John James and I were on 93Q radio for a segment last week, talking about our atmospheric river project with Scripps, as well as the secondary spillway. We will also be making the rounds on the Results Radio stations (Power 95.5, County 103 and KUBA) Thursday morning. John was also featured in the Appeal Democrat last week, talking about the dry February and its impact on our water supply. Additionally the release about Curt’s retirement and Willie’s appointment has gotten quite a bit of press locally, as well as in many trade publications.

**Communications:** Last week, we released an employee spotlight, featuring Paul Breitag, our safety and records coordinator. If you haven’t seen it yet, it’s definitely worth checking out. We are in the early stages of talking with Discovery Science about shooting a segment for a documentary series featuring New Bullards Bar Dam. Their host leads a team that does the high rope access work (that’s their specialty) and they feature the science behind the amazing structures that they visit. More to follow on this as we work out details.

**Upcoming Meetings:** Our next meeting is scheduled for Saint Patrick’s Day – March 17th.
DIRECTORS’ COMMENTS AND REPORTS

Director Hastey reported on the following:
ACWA conference in Washington D.C. last week and led the headwaters team.

No other Director reports were received.

ADJOURNED AT: 9:54 A.M.

Board approved on 3/17/2020
Chair to sign at next available opportunity

Minutes Approved: Randy Fletcher, Chair
Date signed:__________

ATTEST: James Mitrisin
Clerk of the Board of Directors