

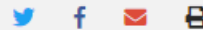
# Nevada Irrigation District puts the brakes on property acquisitions

News | August 30, 2019



Liz Kellar

L.Kellar@theunion.com



The Nevada Irrigation District has made the decision to suspend property acquisitions for all potential projects, effective Aug. 20.

According to General Manager Rem Scherzinger, the decision was made due to PG&E bankruptcy proceedings and the potential impact on district finances.

Potential projects impacted include those that have not received final approval from the board of directors. That includes projects currently undergoing environmental review under the California Environmental Quality Act, but have not been certified or adopted by the board, as well as projects or actions where environmental review has not yet been initiated.

Although district staff stressed the decision, announced Wednesday, was not made because of the controversial Centennial Dam project, property acquisition for the reservoir effectively has been halted for at least 12 to 18 months.

That move was hailed by water protection watchdogs that have been asking the district to halt spending on Centennial Dam while its Raw Water Master Plan update process is underway.

“SYRCL applauds NID for making the fiscally responsible decision to temporarily suspend property purchases for projects such as Centennial,” said Melinda Booth, executive director of the South Yuba River Citizens League. “SYRCL and allies have consistently asked NID to stop spending on Centennial where legally possible for more than a year, and property acquisition was a majority of that spending.”

An audit released by the water district in August showed the district had spent \$12.3 million on Centennial between 2014 and 2017, with \$6.147 million of that spent on property and appraisal services. An independent review of NID property purchases in Bear River Canyon, compiled via a public records request, shows an additional \$1.6 million spent on property in 2018 — a total expenditure of \$7.6 million on 31 parcels.

“The board has decided to press pause on purchasing any more properties for Centennial,” said Traci Sheehan of Foothills Water Network. “They have had some financial challenges recently, so it is fiscally responsible to press pause.”

While it is not known how many more parcels the water district would need to purchase for the Centennial project and at what cost, Sheehan noted one of three

parcels discussed in closed session at the board's Aug. 14 meeting was an estate on the Bear River valued at nearly \$2 million.

The board took no action at that meeting. Sheehan added that documents submitted to the Army Corps of Engineers by NID estimated about 500 properties would be impacted by the Centennial dam.

"There is still a lot left to acquire," Booth said.

#### **UNCERTAINTY DUE TO PG&E BANKRUPTCY**

Assistant General Manager Greg Jones on Friday acknowledged that the largest chunk of the expenditures made to date on the Centennial Dam project was property acquisitions.

But, he said, the decision to suspend those purchases was not specifically about Centennial.

"It's easy to jump to conclusions," Jones said. "That's not the full picture. ... Centennial is a component of all the projects and processes that NID works toward. It's (just) one element."

For example, he said, the district purchases property occasionally for hydro-electric projects.

One project currently being planned that will be affected, Jones said, is a trail at Scotts Flat Lake that would run from Pasquale Road across the dam to the other side.

"One piece of that trail is a potential carve-out of a private property parcel, to eliminate their liability," he said. "That's maybe one acre of land. But until I get environmental documentation and project approval, I can't do that now."

The PG&E bankruptcy is at the heart of the decision, Jones said.

"Our hydroelectric power sales are tied to PG&E," he explained, adding that the projected income from that in 2019 is about \$25 million.

Because of that, the district has put the brakes on a decades-long practice of investing, purchasing and buying properties within the district for any number of reasons, Jones said.

"We have suspended that activity until we have clarity on the PG&E bankruptcy and what that means to our revenue," he said. "If we have a project that has gone through (environmental) review, and processes including budgeting and approval by board, then the board can make an informed decision as to whether they want to purchase a property."

The bankruptcy process could possibly take 12 to 18 months before PG&E has a plan in place, Jones said.

"Until we have that surety about power purchases, this is the right fiscal action for the district to take," he said.

*To contact Staff Writer Liz Kellar, email [lizk@theunion.com](mailto:lizk@theunion.com) or call 530-477-4236.*