

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD JULY 23, 2008**

Fresno Irrigation District's Board of Directors met in regular session at the District office located at 2907 South Maple Avenue – Fresno, California on July 23, 2008. Meeting was called to order at 5:00 pm by Board President Jeff Boswell.

DIRECTORS PRESENT

President Jeff Boswell
Vice President Jeff Neely
Steven Balls
Tom Steffen

DIRECTORS ABSENT

Division 3 Director Position Vacant

STAFF PRESENT

General Manager Gary R. Serrato
Assistant General Manager Laurence Kimura
Watermaster Jim Irwin
Chief Engineer Bill Stretch
Human Resources Director Regina Davis
Controller DeAnn Hailey

OTHERS PRESENT

District's Legal Representative Gary Sawyers (via conference call)
Auditor with Sampson & Sampson Bill Patterson
County of Fresno Representatives Alan Weaver and Frank Fowler
Provost & Pritchard Engineering Representative Ron Samuelian
Land Owner Jim Jerkovich
Land Owner Eddie Niederfrank
Independent Journalist Don Wright

REVIEW AGENDA

Mr. Serrato requests that Mr. Patterson's audit review be moved to the beginning of the meeting (item 9 a., b., and c.). Mr. Serrato also requests that Mr. Lon Martin and Mr. Frank Fowler, item 8 a., follow the auditor's report. Mr. Stretch requests that item 6 c. i. be removed from the agenda.

ANNOUNCEMENT FROM THE PRESIDENT OF THE BOARD

Following the adjournment of the July 9, 2008, meeting, Board President, Jeff Boswell, announced that Director Eddie Niederfrank submitted his letter of resignation which was to take effect immediately. Applications for the Division 3 position will be accepted.

REVIEW OF FUTURE MEETINGS

No change

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PUBLIC PRESENTATION

Mr. Jim Jerkovich stated that he was concerned that other pipeline projects and funding would be prioritized ahead of his pipeline project which he has been working with the District to construct for two years.

CONSENT CALENDAR

a. Approval of Regular Board Meeting Minutes – July 9, 2008

Director Steffen noted a correction on his Directors Report regarding the Five Points Meeting.

M/S/C/(Balls/Neely) That Board of Directors approve the Consent Calendar as corrected by the following vote. (Ayes 4, Nays 0, Absent Division 3 Seat, Abstain 0)

ADMINISTRATIVE MATTERS

- a. 2007 Report to Management – Sampson & Sampson Audit Report**
- b. Audited 2007 Financial Statements**
- c. Audited 2007 Retirement Plan Financial Statements**

Mr. Bill Patterson, of Sampson & Sampson presented to the Board the Fresno Irrigation District's 2007 audit report. Mr. Patterson reported that the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis (MD & A) – for State and Local Governments, including special districts such as FID. It was reported that the financial statements present fairly, in all material respects, the financial position of Fresno Irrigation District as of December 31, 2007, and the results of its operations, changes in fund equity, and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts. Mr. Patterson stated these reports were issued as unqualified by Sampson & Sampson, which is a favorable type of report.

M/S/C/(Neely/Balls) That Board of Directors approve the audited 2007 financial reports as presented by District auditor Sampson & Sampson by the following vote. (Ayes 4, Nays 0, Absent Division 3 Seat, Abstain 0)

MANAGER'S REPORT

- a. Fresno County Water Development (discussion only)
County Special Assessment CSA 51**

Mr. Alan Weaver, Public Works Director for the County of Fresno, appeared before the Board to talk about water development for CSA 51. Mr. Weaver assured the Board that water development would only apply to existing parcels.

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POTENTIAL CONFLICTS OF INTEREST

(Any Board Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.) [FPPC §87105]

None stated

380: WATER REPORT

a. Current Water Conditions

Watermaster Jim Irwin reviewed the current and projected water supply. As of July 22, Pine Flat release was 5,196 cfs and storage was 248,007 acre-feet.

Summer storms in the foothills produced a significant amount of precipitation for this time of year. In response to this addition precipitation, Staff would recommend running an additional 15 days on the east side (Temperance Avenue east to the Head Gate). The Enterprise, Gould and the Fresno Canals will be used.

M/S/C/(Neely/Balls) That Board of Directors approve the running of water for an additional 15 days on the east side of the District starting August 1, 2008, by the following vote. (Ayes 4, Nays 0, Absent Division 3 Seat, Abstain 0)

CHIEF ENGINEER'S REPORT

Chief Engineer reported on the following items:

c. iii. Landowner Pipeline Project with Eddie Niederfrank on the Central Waste Canal #33 Located Northeast of American and Blythe Avenues. Item 2008-33

Landowner Eddie Niederfrank brought before the Board his proposal for piping a portion of the Central Waste Canal located N/E of American and Blythe Avenues. This project is 1,320 feet with pipe size of either 42 or 48 inch inside diameter. The type of piping to be used is still under consideration. Mr. Niederfrank would like this project to start shortly after his 2008 harvest. President Boswell requested a spreadsheet from the Engineering Department of previous District/landowner projects that include a list of costs, who participated, type of pipe, funding, and timeframe information. President Boswell would also like to see the list that Mr. Stretch prepared for the last meeting that showed what projects have been completed, which projects still need to be completed, and where the allotted funds will run out. Staff will re-introduce the list and prepare the spreadsheet for the next Board meeting.

380: WATER REPORT

b. Hardship Water Deliveries

Mr. Kimura reviewed the cost of hardship water from last year. Staff is recommending to eliminate the service fee of \$25.00 and charge \$35.00 per acre, per foot (\$12.69 per acre, per irrigation).

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Staff proposes that in future dry years, the Board direct Staff to set aside a predetermined amount of water to be used at the end of the water season for Hardship and Reclaim deliveries throughout the District. This will insure that the District has a sufficient amount of water in reserve for these deliveries.

M/S/C/(Steffen/Neely) That Board of Directors approve running of hardship water from August 16 through the month of September at \$35.00 per acre per foot (\$12.69 per acre, per irrigation) with no pre-irrigation service charge by the following vote. (Ayes 4, Nays 0, Absent Division 3 Seat, Abstain 0)

c. Reclaim Water Deliveries

Staff recommends \$85 per day for a 4 cfs head of water or \$42.50 per day for 2 cfs head. These deliveries will start on August 1, 2008.

M/S/C/(Steffen/Neely) That Board of Directors approve the running of reclaim water for the month of August at \$42.50 per day for 2 cfs or \$85.00 per day for 4 cfs by the following vote. (Ayes 4, Nays 0, Absent Division 3 Seat, Abstain 0)

CHIEF ENGINEER'S REPORT

Chief Engineer reported on the following items:

a. Developer and Agency Project Schedule for 2008/09 Update

Developer Projects – Staff is processing approximately 15 Developer Pipeline projects for the 2008/09 maintenance season.

Agency Projects – Staff is processing approximately ten Agency projects for the 2008/09 maintenance season.

b. Three-Year Maintenance Facility Upgrade Project for 2007/08

Mr. Stretch provided the Board an update on the Maintenance and Facility Upgrade Plan (MFUP) – Staff is working to finalize the Construction Report of the 2007/08 projects and be brought before the Board in the next one to two months.

c. Informational Items:

ii. Update on the Southeast Growth Area in the City of Fresno. Item 2008-42

Mr. Stretch provided the Board with an update on the progress of the Southeast Growth Area (SEGA) development plan. There are still many areas that need refinement – Staff will keep the Board updated as changes are made.

ASSISTANT MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

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a. Nielsen Site Rubble Pile Update

Work at the site continues. The lack of aggregate at the site is still hindering Mr. Erickson's progress. To date, no response from Mr. Erickson has been received regarding the letter sent to him notifying him of the extension and FID's expectations during the extension. Staff has sent a second letter regarding the extension. More work still needs to be done.

b. Waldron Banking Project Update

The administrative work for closing the Arthur & Orum contract is almost complete. Based on the test pump results, Provost & Pritchard Engineering and Ken Schmidt & Associates have provided the pump requirements to Vulcan Construction for the last well.

c. District Office Plan

BMV Construction has signed the contract agreement and submitted the bonding documents. The project should be completed by the end of the year subject to the length of review time by the County of Fresno. Staff is currently waiting on BMV Construction to provide plan check submittals for the building. Staff is also working with SIM on addressing the site plan comments from the County of Fresno. Management Staff is reviewing the 60% plans from the architect for the new office.

d. General Maintenance and Equipment Update

Maintenance personnel are busy performing maintenance activities as necessary. Heavy equipment operators continue to be busy making bank improvements along the west branch of the East Branch near Temperance Avenue. Gopher holes and ditch bank leaks are being addressed as necessary. The trash truck continues to work throughout the District. The Maintenance Report for June 16, 2008, through July 15, 2008, was presented.

Miscellaneous: Mr. Kimura reviewed the City of Fresno's Draft Urban Water Management Plan. Management Staff reviewed the plan and provided comments. The City will be trying to balance groundwater usage by increasing recharge and using recycled water. The City will also be using its full surface water allocations by 2025.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

KINGS RIVER WATER ASSOCIATION

Stryd Pump

Gary Sawyers reported that the Stryd Pump settlement agreement has been recorded in Kings County. Mr. Serrato has also been asked to participate in the "Pump Committee" at KRWA which will address the illegal issues of the pumpers on the Kings River.

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Lemoore Canal & Irrigation District

The District is working on an agreement to back stop up to 5,000 acre-feet on the Lemoore Canal & Irrigation District's Temperature Control Pool.

Fish and Game Committee Meeting

KRWA is concerned that the cold water in the TCP may be utilized prior to the end of the season. KRWA staff will continue to monitor throughout the remainder of the season.

Zebra and Quagga Mussels continue to be addressed. KRWA staff has been directed to place "settling plates" in the reservoir at the following four locations: 1) Fresno Weir; 2) Peoples Weir; 3) Pine Flat; and 4) Empire Weir #2, to see if there is any infestation of mussels.

FRIANT WATER AUTHORITY / FRIANT WATER USERS AUTHORITY

A Congressional Subcommittee on Water and Power hearing was held at the Fresno City Council Chambers on July 21. Fresno County Supervisor, Phil Larson, made some good comments during his panel discussion. Governor Schwarzenegger and Senator Feinstein are still pushing for the water bond measure.

OTHER ISSUES

Kings County Water District Groundwater Bank

Staff has met with Kings County Water District to review the updated cost of developing the water bank. City of Clovis and Kings County Water District are now taking the approach of phasing in the project until all the funding can be attained.

Proposition 50 Grant

Staff will review the contract and attend site visits with the State Water Resources Control Board and Kings River Conservation District on August 1, 2008.

Mr. Serrato was asked by Assembly Member Juan Arambula to review new legislation that is being proposed by the Democratic Party concerning the last water bonds. Remaining funds from Propositions 13, 50 and 84 would be reallocated. Staff is not in favor of this new allocation which is being spearheaded by Assembly Speaker Karen Bass.

ADMINISTRATIVE MATTERS

d. Property Damage Claim – Gildo Nonini (old)

Staff's completed a survey of water users on the Silvia ditch. Out of the 24 properties surveyed, only four indicated that they would not participate in water delivery in August. It is still Staff's recommendation to provide water delivery in August to the Silvia Ditch users to make up for the lost irrigation at the beginning of water season due to ditch repairs. A letter will be sent to Mr. Nonini informing him that water will be provided in August to make up for his lost turn at the start of this season and that his claim for reimbursement has been denied.

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e. Water Education Foundation 2008 Contribution

Staff is recommending a \$1,000 contribution (same as 2007) to the Water Education Foundation.

M/S/C/(Neely/Balls) That Board of Directors approve the \$1,000 contribution to the Water Education Foundation by the following vote. (Ayes 4, Nays 0, Absent Division 3 Seat, Abstain 0)

f. Division 3 Vacancy

Staff updated the Board on the search for a replacement Director for Division 3. Notices have been posted throughout Division 3 with a deadline of August 8, 2008, for submitting applications. A special meeting for conducting interviews will be held on August 20, at 5 pm for any candidates wishing to serve the remaining term for Division 3. The hope is to seat the appointed Director at the August 27 meeting

DIRECTORS' REPORT

Director Boswell – would like a spreadsheet or budget regarding pipeline projects by the next meeting. A list of new committee assignments was prepared and handed out.

Director Steffen – received compliments on the cleanliness of the ditch banks.

CLOSED SESSION

The meeting went into Closed Session at 8:15 pm.

Natural Resource Defense Council vs. Rodgers (Government Code Section 54956.9).
To confer with counsel on pending litigation.

Conference with Legal Counsel – Anticipated Litigation (Government Code Section 54956.9(b)).

The Board will meet in closed session to confer with Counsel on potential litigation arising out of claims by third parties to water rights on the Kings River.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Boswell stated the personnel matter involving vacation accrual has been negotiated and the affected employees were notified in writing of the change. Closed Session concluded at 8:45 p.m.

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ADJOURNMENT

President Boswell adjourned the meeting at 8:47 p.m.

Respectfully Submitted,

Gary R. Serrato
Board Secretary