

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 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 September 10, 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
Ryan Jacobsen

DIRECTORS ABSENT

None

STAFF PRESENT

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

OTHERS PRESENT

Legal Counsel Gary Sawyers
Wells Fargo Institutional Securities Representative Michael Kronbetter
Freelance Journalist Don Wright

REVIEW AGENDA

President Boswell announced two appointments. Director Tom Steffen will be the ACWA/JPIA representative and Director Jacobsen will serve on the Grounds Committee.

REVIEW OF FUTURE MEETINGS

Same as posted

ADMINISTRATIVE MATTERS

- a. Michael Kronbetter of Wells Fargo

Michael Kronbetter of Wells Fargo Institutional Securities, LLC presented information regarding the District's investment strategy. He, along with Controller DeAnn Hailey, reviewed the District's investments.

- g. **August 2008 Investment Account**
- h. **August 2008 COP Investment Account**

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 2008**

Controller DeAnn Hailey reviewed each of the listed investments reports. Staff answered any questions presented by the Board.

M/S/C/(Neely/Balls) That Board of Directors approve the listed investment reports as reported by Staff by the following vote. (Ayes 5, Nays 0, Absent 0, Abstain 0)

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

CONSENT CALENDAR

- a. Approval of Regular Board Meeting Minutes – August 27, 2008
- b. August 2008 Check Register
- c. August 2008 Payroll Register
- d. August 2008 Unpaid Assessment Report
- e. August 2008 Unpaid ISIP Assessment Report
- f. Request for Correction of Charges (11-2004, 12-2005, 13-2006, 14-2007, 15-2008)

M/S/C/(Steffen/Balls) That Board of Directors approve the Consent Calendar by the following vote. (Ayes 5, Nays 0, Absent 0, Abstain 0)

380: WATER REPORT

In the absence of Watermaster Jim Irwin, General Manager Gary Serrato reviewed the current and projected water supply. As of September 9, 2008, Pine Flat release was 370 cfs and storage was 128,285 acre-feet.

Walter Bricker of J. G. Boswell Company contacted the District regarding the purchase of water. This would be for pre-irrigation of cotton. The Board directed Mr. Serrato to continue discussions with Mr. Bricker.

CHIEF ENGINEER'S REPORT

Chief Engineer Bill Stretch 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. Currently, there is one project in progress which impacts the Tracy Canal located southwest of Clinton and Blythe Avenues. There are several projects that should commence in the next few weeks.

Agency Projects – Staff is processing approximately ten Agency projects for the 2008/09 Maintenance Season. There are two projects that should commence in the next few weeks,

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 2008**

including Grantland Avenue Bridge replacement on the Herndon Canal located south of Barstow Avenue and Temperence Avenue Bridge replacement on the Gould Canal located south of Ashlan Avenue.

b. Three-Year Maintenance Facility Upgrade Project for 2008/09

Staff gave a brief update of the on-going and proposed projects for the Directors.

c. Running Horse Development & Kearney Basin Project Update

Running Horse staff met with Gary Vigan (local architect), City of Fresno and other impacted agencies last week to discuss the possible resurgence of the Running Horse Project. Mr. Vigan informed the group that they expect to hear in two to three weeks if they have secured the \$70 million of funding needed to complete the project. The group recognized that the FID/FMFCDC basin relocation is the first order of business and are tentatively scheduled for completion later this year.

d. Informational Items:

- i. Review ITRC's memo regarding FID's aging infrastructure and the Sycamore pipeline system - a few months ago, Director Steffen had requested Staff to look into some complaints he had received from landowners regarding the Sycamore pipeline system. Staff contacted Dr. Charles Burt of the Irrigation Training and Research Center (ITRC) in San Luis Obispo. Dr. Burt prepared a memo addressing issues with the District's aging infrastructure and specifically the Sycamore Pipeline located near Shaw and Howard Avenues.

e. Review Policies Regarding Third Party Use of FID Rights-of-Way. Item 2008-49

Review of policies regarding third-party use of FID Rights-of-Way – the District is frequently approached about the use of its rights-of-way by third parties. Those requests are most commonly from the City of Fresno, the City of Clovis and the County of Fresno in connection with the road improvements and similar public works projects, but are also received from private landowners. Generally the District derives no direct benefit from accommodating such requests. The Board gave Staff the following directions:

1. The District will generally attempt to accommodate requests from third parties to use our rights of way, but only if the District is not adversely affected by accommodating the request;
2. The circumstances will dictate what level of liability protection is required from the requesting party, but at minimum indemnities from financially responsible parties are necessary. Private parties may be required to provide additional levels of protection, to be tailored to the situation;
3. Under circumstances in which accommodating a third party request would mean that the District would be permanently unable to use the affected portion of its

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 2008**

right-of-way (such as with road or bridge), the District will consider deeding/selling the affected property;

4. Under no circumstances is the District prepared to accept additional risk or liability (even for its own negligence) as a result of accommodating a request with no benefit to the District. Requests for indemnities from the District are to be rejected unless the District derives some benefit from the proposed action.
5. If the District's form of agreement is not acceptable to a requesting party on a material point, Staff is to decline a third party request. Staff is to be reasonable and agreements should be tailored to the specific circumstances, but the basic requirements and protections required by the District are not to be compromised. The general District policy is one of being a "good neighbor" without incurring additional expense, inconvenience, or risk.

President Boswell called for a brief recess at 7:00 p.m.

The meeting was called back to order by President Boswell at 7:20 p.m.

ASSISTANT MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

a. Nielsen Site Rubble Pile Update

Work at the site continues. The lack of aggregate at the site is still hindering the progress. To date, Mr. Erickson has not responded to either of our letters requesting him to acknowledge the need to complete the project by the new deadline. The rubble pile is shrinking, but a significant amount of work still needs to be performed at the site.

b. Waldron Banking Project Update

The administrative work for closing the Arthur & Orum contract is almost complete. Some contract issues are still being resolved with Mr. Arthur. Provost and Pritchard is working with PG&E for getting electrical power to the new pumps at the Waldron and Lambrecht sites. Currently, all of the control panel pads have been placed and the discharge pipe (approximately 900 feet long) for one of the pumps is near completion. The pump and motor work should begin soon.

c. District Office Plan

BMY Construction continues to submit shop drawings for review. SIM Architects has been reviewing the submittals and working with FID Staff on the responses. Staff is also working with SIM on the design of the new office and addressing the site plan comments from the County of Fresno. Miscellaneous facilities information is also provided as necessary.

d. General Maintenance and Equipment Update

Some operations personnel are still transitioning over to winter maintenance activities. A few of the Water System Operators continue to work in the Water Operations Department during the

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 2008**

extended water season in some areas. Heavy equipment operators continue to be busy repairing the banks along the Minor-Thornton Canal and preparing sites for the construction crews. The Minor-Thornton project should be completed this week. Weeds at the Sunnyside and Shepherd Avenues were pushed over and ripping continues at the Waldron Banking Facility. The spray trucks are working in the southern part of the District on the South Central, Fresno Colony, American Colony and Washington systems while the tractor sprayer finishes up on the Hansen system. Additionally, copper sulfate was applied for algae control in the reclaimed water area. Staff has been working with SePRO on developing a pre-emergent pilot program for aquatic weeds. Miscellaneous structure, pipeline and gate repairs are being made on the Goodrich, Malaga Extension, and American Colony systems. The trash truck is working on the Dry Creek and Houghton systems. Minor brush removal is also being performed by a small brushing crew. The trees around the office were recently pruned.

An Equipment Committee meeting was held on September 4, 2008. Recommendations from the Equipment Committee are addressed under Administrative Matters.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

KINGS RIVER WATER ASSOCIATION

Deliveries to the Eastside of the District have been completed. FID is now delivering Hardship water to users on the Eastside and to users who can receive water from the Waste Water Treatment Plant reclamation wells on the Westside. KRWA's recent Pine Flat storage indicates that the Temperature Control Pool will be above 120,000 acre-feet.

Fish and Game Committee

KRWA Staff continue to manage water temperature in both Pine Flat Reservoir and the River. In July, 32 tagged fish were released into the river at Harris Ranch to monitor trout response to increased water temperature which is expected to occur in September and October. A plan is in place to terminate trout planting until water and ambient temperatures decrease. Trout planting is scheduled to resume in late fall. Mr. Serrato shared a press release from the fisherman group urging anglers to not fish in the "Catch and Release Zone" until the temperatures decrease later in the fall.

Legislative Committee

AB2175 (Laird) was held up in the Senate Rules Committee and never came up for a Senate vote. It is dead for the year, but would expect to see a different version to again be introduced next year. AB 2175 would have required measurement on all turnouts and reporting to the Department of Water Resources every year. The bill would also require both agriculture and cities to reduce water consumption by 20 percent of the total water supply. It ignores conjunctive use as a tool to restore and maintain groundwater supplies.

Both SB1xx (Perata) and the Governor's Water Bond came up for a Senate Floor vote and passed. We will be writing a letter to the Governor asking for his veto of specific provisions of the appropriations measure.

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 2008**

FRIANT WATER AUTHORITY / FRIANT WATER USERS AUTHORITY

Strategic Planning

Friant has begun the process of constructing a Strategic Plan that will be formulating a Mission Statement and Goals for the future. Although Staff has not participated at every meeting, we continue to track its progress.

9(D) Contracts

With the conversion of 9 (D) contracts, each Friant member will need to pay off its capital component of the Central Valley Project as a requirement of the Settlement Agreement. For FID the Capital Component is approximately \$4 million dollars. Wells Fargo has been working with Friant Members to help facilitate financing to meet this requirement of the Settlement. Staff has met with Michael Engelbrecht of Wells Fargo to begin the process of exploring financing cost.

OTHER ISSUES

Proposition 50

Staff continues to work with KRCD and State Board Staff on the final language in the Contractual Agreement with the State Board for the \$3.6 million dollar grant that was awarded to FID for the Kings County Water Bank. The State Board has accepted most if not all our suggestions including reducing the scope of work and cost of the Facility. Legal Counsel Gary Sawyers will be reviewing the agreement for any additional concerns.

Kings County Groundwater Banking Facility

Don Mills, Kings County Water District General Manager, has met with landowners in the area to address their concerns regarding the groundwater banking facility. Mr. Mills along with Provost & Pritchard Engineer, Brian Ehlers have also met with and provided a great deal of information and studies to Mr. Scalmanini, who is the Engineer hired by the landowners to review the facility for any adverse impacts to the surrounding area.

ADMINISTRATIVE MATTERS

Claim – Angel Radovich

Staff reviewed the Angel Radovich claim with the Board of Directors and recommends the payment for damages to his vineyard.

M/S/C/(Balls/Steffen) That Board of Directors accept the property damage claim as recommended by Staff by the following vote. (Ayes 5, Nays 0, Absent 0, Abstain 0)

i. Equipment Committee Recommendations

The following pieces of equipment were recommended by the Equipment Committee members:

- 1 92+ HP Backhoe/Loader
- 1 85+ HP Crawler/Dozer

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD SEPTEMBER 10, 2008**

- 1 74+ HP Crawler Tractor
- 1 Wood Chipper
- 1 Portable Air Compressor
- 1 Tilt Bed Trailer
- 1 Small Dump Truck
- 3 Half-Ton Pick-up Trucks

M/S/C/(Steffen/Balls) That Board of Directors accept the recommendation of the Equipment Committee by the following vote. (Ayes 5, Nays 0, Absent 0, Abstain 0)

j. **Update Policy No. 130402, Disposal of Fixed Assets**

M/S/C/(Neely/Balls) That Board of Directors accept the updated policy as recommended by Staff by the following vote. (Ayes 5, Nays 0, Absent 0, Abstain 0)

DIRECTORS' REPORT

No Reports

CLOSED SESSION

Natural Resource Defense Counsel 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. (Snowden)

No Closed Session was held.

REPORT OF ACTION TAKEN IN CLOSED SESSION

None

ADJOURNMENT

Since there was no Closed Session, President Boswell adjourned the meeting at 8:30 p.m.

Respectfully Submitted,

Gary R. Serrato
Board Secretary