

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD DECEMBER 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 December 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
Ryan Jacobsen
George Porter

DIRECTORS ABSENT

None

STAFF PRESENT

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

OTHERS PRESENT

Kings River Water Agency Representative Clifton Lollar

OATH of Office

Mr. Serrato announced that the District had received the election certification for Mr. George Porter from the Fresno County Elections Office. Mr. Boswell and Mr. Balls were unopposed in their bid for re-election. Mr. Serrato proceeds to administer the Oath of Office to Directors Boswell, Balls, and Porter.

REVIEW AGENDA

No changes

PUBLIC PRESENTATION

Resource Analyst for Kings River Water Association, Mr. Clifton Lollar, updated the Directors on the KRWA Fishery Management Plan and describes what fishery management practices and enhancements are taking place on the Kings River. The Fishery Management Plan includes the following:

- Temperature Management – requires the river to be cold enough to support fish species, such as rainbow trout. Inter-agency cooperation is required to maintain a healthy habitat
- Calibrated Anglers Study – data collection
- Annual Electro Fishing Studies- done at six different locations along the river

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- **Macroinvertebrate Sampling** – sampling of insects at six different locations done twice a year

The California Department of Fish and Game, in cooperation with Kings River Water Association and Kings River Conservation District, reduced fish stocking last August during high temperature days. Warmer water temperature will induce fish mortality if they are caught and released. The boulder and gravel placement for increased fish sponging and habitat is on hold until 2010 or 2011.

REVIEW OF FUTURE MEETINGS

None

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]

Director Jacobsen requests that Item 4 h. be taken off the Consent Calendar due to a conflict with the Farm Bureau contribution

CONSENT CALENDAR

- a. **Approval of Regular Board Meeting Minutes – November 12, 2008**
- b. **November 2008 Check Register**
- c. **November 2008 Payroll Register**
- d. **November 2008 Unpaid Assessment Report**
- e. **November 2008 Unpaid ISIP Assessment Report**
- f. **November 2008 Investment Account**
- g. **November 2008 COP Investment Account**
- i. **Overnight Stay for Controller – Incode Connect 2009 (accounting software training)**

M/S/C/(Balls/Neely) That Board of Directors approve the Consent Calendar with the following corrections: 1) on page 148 of item 9 b. the motion should not include the 2009 Contribution List as it is being voted on at the December 10, 2008 meeting, and 2) correct spelling of “entering” on page 143 by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

- h. **2009 Budget – Contributions**

M/S/C/(Neely/Balls) That Board of Directors approve item 4 h. from the Consent Calendar by the following vote. (Ayes 4; Nays 0; Absent 0; Abstain Jacobsen)

380: WATER REPORT

- a. **Current Water Conditions**

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Watermaster, Jim Irwin, reviewed the current and projected water supply. As of December 9, Pine Flat release was 100 cfs and storage was 158,061 acre-feet. Rain is expected during the weekend and into Monday and Tuesday. Snow levels could drop to 1,100 feet.

FID was responsible for 1,700 acre feet of water utilized in the Fishery Management Program. KRWA Staff is noticing higher Channel Losses due to the recent dry years cycle. Channel losses down to Peoples Weir in 2008 are up to 30% instead of the usual 10%.

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 season. No projects are currently in progress and one project has been completed since April 1, 2008. Several projects are expected to start within the next few weeks.

Agency Projects – Staff is processing approximately ten Agency projects for the 2008/09 season. Five projects are in progress that affects the following: 1) Temperance Avenue Bridge replacement on the Gould Canal located south of Ashlan Avenue; 2) Helm colonial W. Br. Pipeline replacement located southeast of Herndon and Willow Avenues; 3) Gunn Pipeline replacement located northeast of Ashlan and Temperance Avenues; 4) Clovis Avenue Bridge widening on the Mill Canal located south of McKinley Avenue; and 5) Basin EM inertie structure in the Herndon Canal located S/W of Barstow and Grantland Avenues.

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

Mr. Stretch proceeds with an update on the Maintenance and Facility Upgrade Plan (MFUP) – a detailed list of current projects are attached.

Bids were opened last week for the construction of four pipelines on the Silvia Ditch. The bid was awarded to Floyd Johnson at \$5,000 under engineer's estimate. Construction should start within the next week or so.

Mr. Stretch gives Directors/Staff a slide-show presentation outlining the updates of the Three-Year Maintenance Facility Upgrade Projects.

c. Grant Application – Approve Funds to Prepare Application of USBR Water for America – System Optimization Review Challenge Grant and Contribute Matching Funds to Project. Resolution 2008-15 and Action Request 2008-55

Staff is proposing that the District apply for a grant administered by the United States Bureau of Reclamation (USBR) known as the Water for America Grant Program: Expand, Conserve and Protect Our Nation's Water Resources – System Optimization Reviews (SOR). The grant program was previously known as the Water 2025 SOR, but was renamed earlier this year.

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Through the Grant Program, USBR provides cost-shared funding on a competitive basis for projects that will create water markets and make more efficient use of existing water supplies.

The grant program will grant between \$500,000 and \$3,000,000 and is available for award in Fiscal Year 2009. USBR's share of any one proposed project may be up to 50% of the total project cost and shall generally not exceed \$300,000. The District applied for the Water 2025 SOR grant in fiscal year 2008 with a similar project but was unsuccessful. During a meeting with USBR staff, the District was informed that our project finished just outside of being funded. Staff proposes to submit a similar project with a few changes and believes that the District will be successful.

Staff is proposing that Provost & Pritchard assist in the development of the grant application at a cost of \$2,000-3,000 which would come from the Construction Fund.

M/S/C/(Neely/Balls) That Board of Directors approve Action Request 2008-55 as presented by Staff with the following vote. (Ayes Neely, Balls, Boswell, Porter; Nays Jacobsen; Absent 0; Abstain 0)

M/S/C/(Balls/Neely) That Board of Directors approve Resolution 2008-15 as presented by Staff with a Roll Call vote. (Ayes Neely, Balls, Boswell, Porter; Nays Jacobsen; Absent 0; Abstain 0)

ASSISTANT MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

a. Nielsen Site Rubble Pile Update

The size of the rubble pile continues to shrink and the processing of the rubble should be completed soon. There is a considerable amount of processed materials at the site. The District's Staff and attorney (Alex Peltzer) met with the City of Fresno and County of Fresno to review the progress and request an extension to May 30, 2009.

b. Waldron Banking Project Update

Provost & Pritchard (P&P) is working with PG&E on getting electrical power to the new pumps at the Waldron and Lambrecht sites. PG&E has pulled the power to the Lambrecht site and should be setting the meters early this week. It is anticipated that the hook-up to the Waldron site will occur sometime in mid-December. Vulcan Construction has essentially completed all of the work required under the contract except for the testing of pumps.

c. District Office Plan

BMV Construction has initiated the work on the two metal buildings. Work is being performed on the plumbing, electrical and concrete slabs. SIM Architects will be addressing the site plan review issues as part of the construction of the new office. Staff continues to work with SIM on finalizing the design for the new administrative office. The plans for the new office were

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submitted to the County for Plan Check on November 26, 2008. Plan check from the County could take up to two months. Staff also met with SIM and the landscape architect.

d. General Maintenance and Equipment Update

Heavy equipment operators continue to perform dredging work on the Gould Canal. The crew is currently near Del Rey Avenue. Dredging between Fowler and Leonard Avenues has been completed. Heavy equipment operators also continue to prepare sites in advance of the construction crews. The motor graders are grading the south branch of the Washington Colony and will continue on the south side of the District. The brush removal crew is currently addressing work order items. The gate crew is currently working on construction projects.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

KINGS RIVER WATER ASSOCIATION

Proposition 84

The Upper Kings River Water Forum Steering Committee met with Consultant Richard Moss, representing the other areas that have adopted an Integrated Regional Water Management Plan, to discuss the advantages and disadvantages of joining the larger IRWMP for the Tulare Hydrological Region. Proposition 84 has earmarked \$60 million for Tulare Lake Hydrological Region. Although, being a part of a much larger IRWMP has its advantages, it may not be in the best interest of the Upper Kings River Water Forum. At this time, the Forum has decided not to join the collective group.

KRWA Legislative

Kate Williams, chief of staff, for Assembly Member Jared Huffman toured the Kings River Service Area including the FID headgates where Mr. Serrato joined other agencies to inform her of the collaborative efforts that are being done in the area regarding water management. Ms. Williams will be rewriting AB 2175 (water conservation bill) that will include water conservation and measurement. Ms. Williams appeared to be impressed with the efforts of Kings River Water Association in these areas.

FRIANT WATER AUTHORITY / FRIANT WATER USERS AUTHORITY

The Senate postponed any action on the omnibus lands bill until early next year. The San Joaquin bill is one of about 150 bills folded into an omnibus public lands package.

Friant District Managers discussed in great detail the process as described in the Settlement, of how the Water Management Goals achieve "equity" of impacts of water for restoration. Water recovery, allocation and Title III were discussed. . The group has decided to involve a mediator (Jim Waldo) to help facilitate the group's next discussion on December 17. The following day a private meeting with FID and the mediator will take place.

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OTHER ISSUES

Kings County Groundwater Banking Facility

The Luhdorff & Scalmanini Report is finally completed. It has been reviewed by the General Manager, Assistant General Manager, and attorney Gary Sawyers. The report has several issues that the District will have to address. A joint meeting will take place with District Staff, P&P, Ken Schmidt, and Don Mills (Kings County Water District, General Manager) to determine the next course of action.

Area Agency Meeting

The District's Staff met with the City of Fresno, City of Clovis, County of Fresno, and Fresno Metropolitan Flood Control District to discuss a regional water solution to the developing area that lies between the Enterprise Canal and the Friant Kern Canal.

ACWA Conference

Mr. Serrato attended the ACWA conference in Long Beach. Joint Powers Insurance Authority announced that they will be building a new office building in Sacramento. They followed the same pre-building analysis that the District has recently completed. Mr. Serrato met with different local and state agencies and water district representatives.

Mr. Serrato and Mr. Kimura met with some of the exchange contractors. Preliminary discussions covered the purchase of water from the Waldron Banking Facility.

ADMINISTRATIVE MATTERS

a. Gift Cards

Ms. Davis requests authorization to purchase appreciation cards, in the amount of \$25 each, from Save Mart to be given to the employees at the end of the year. Save Mart offers a 3% discount.

M/S/C/(Neely/Balls) That Board of Directors approve purchase of gift cards in the amount of \$2,061.25 by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

b. Property Damage Claim – P. Barns

Staff recommended that the Claim submitted by Ms. Patricia Barnes in the amount of \$725.00 be paid due to flooding that had occurred during the summer.

M/S/C/(Neely/Balls) That Board of Directors approve to reimburse Ms. Barnes in the amount of \$725 by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

c. Approval of Updated Water Management Plan - Resolution 2008-13

Mr. Kimura brings before the Board the Water Management Plan that is required to be updated every five years. Resolution 2008-12 reflects the updates.

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M/S/C/(Balls/Neely) That Board of Directors approve to accept Resolution 2008-13 by Roll Call vote. (Ayes Neely, Balls, Boswell, Porter, Jacobsen; Nays 0; Absent 0; Abstain 0)

d. Discharge Agreement / City of Clovis – Tertiary Treated Effluent - Resolution 2008-14

This resolution outlines the agreement between the City of Clovis and Fresno Irrigation District to allow the City of Clovis Sewage Treatment/Water Reuse Facility to use Fancher Creek Canal to transfer effluent that meets the criteria of “disinfected tertiary recycled water” as defined in California Code of Regulations, Title 22, Section 60301.230.

M/S/C/(Neely/Jacobsen) That Board of Directors approve Resolution 2008-14 by the following Roll Call vote. (Ayes Neely, Balls, Boswell, Porter, Jacobsen; Nays 0; Absent 0; Abstain 0)

e. Resolution 2008-16 – Safe Harbor Provisions

As a general rule, 401(k) plan must satisfy certain non-discrimination requirements. Many small businesses find this hard to do and, as a result, many do not set up such plans. The Small Business Job Protection Act of 1996 provided 401(k) plans with alternative, simplified methods of meeting the non-discrimination requirements. The 401(k) plans that adopt one of these alternative methods are referred to as “safe harbor 401(k) plans.

A 401(k) safe harbor plan is a 401(k) plan that automatically satisfies the non-discrimination rules for elective deferrals and matching contributions. For a 401(k) plan to be considered a safe harbor plan, employers must satisfy certain contribution, vesting, and notice requirements.

A safe harbor plan design offers an employer many advantages. As long as the plan operates within guidelines, a safe harbor 401(k) plan is deemed to pass ADP/ACP non-discrimination tests and is deemed to not be top heavy. This allows the highly compensated employees to defer the amounts allowed in the plan even with lower participation levels by non-highly compensated employees.

Staff is requesting the adoption of Resolution 2008-16 which would commence on January 1, 2009.

M/S/C/(Balls/Porter) That Board of Directors approve Resolution 2008-16 by the following Roll Call vote. (Ayes Neely, Balls, Boswell, Porter, and Jacobsen; Nays 0; Absent 0; Abstain 0)

f. Resolution 2008-17 – Creation of Capital Improvements Fund

At the November 12, 2008, Board Meeting, it was decided that it would be in the best interest of the District to have a separate fund to identify and hold monies dedicated to capital improvements. Resolution 2008-17 allows that to take place.

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M/S/C/(Neely/Balls) That Board of Directors approve Resolution 2008-17 by the following Roll Call vote. (Ayes Neely, Balls, Boswell, Porter, and Jacobsen; Nays 0; Absent 0; Abstain 0)

g. 2009 Budget – Capital Improvements Fund Budget

Controller DeAnn Hailey explains and presents the initial Capital Improvements Fund budget. Director Neely suggests putting \$400,000 (instead of \$500,000) under Job Costs leaving \$100,000 as the ending fund balance.

M/S/C/(Neely/Jacobsen) That Board of Directors approve Capital Improvements Fund Budget as amended by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

- h. October 2008 Fund Statements**
- i. October 2008 Treasurer’s Report**
- j. October 2008 Deposits and Investments**

Controller DeAnn Hailey gives a review on the above financial reports.

M/S/C/(Balls/Porter) That Board of Directors approve October 2008 Fund Statements, Treasurer’s Report, and Deposits and Investments financial reports by the following unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

DIRECTORS’ REPORT

Director Porter – states he is glad to be here and is looking forward to working with the Board and Staff.

Director Jacobsen – attended the Fall 2008 ACWA Conference in Long Beach, CA. Director Jacobsen was glad that he was able to attend some of the seminars and network with other agency representatives.

CLOSED SESSION

Senior Staff went into Closed Session at 8:42 p.m.

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

Government Code Section 54957. Personnel Matters.

Conference with Legal Counsel–Anticipated Litigation (Government Code Section 54956.9(b)). Conference with Legal Counsel – Anticipated Litigation (G.C. §54956.9. Significant Exposure to Litigation pursuant to subdivision (b)): one potential case.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Boswell states there was nothing to report from Closed Session.

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Closed Session concludes at 9:03 p.m.

ADJOURNMENT

President Boswell adjourns the meeting at 9:04 p.m.

Submitted By,

Gary R. Serrato
Board Secretary