

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD April 12, 2011**

Fresno Irrigation District's Board of Directors met in regular session in the District office located at 2907 South Maple Avenue – Fresno, California, on April 12, 2011. Meeting was called to order at 5:00 p.m. by Board President Jeff Neely.

DIRECTORS PRESENT

President Jeff Neely
Vice President Ryan Jacobsen
Jeff Boswell
Steven Balls
George Porter

DIRECTORS ABSENT

None

STAFF PRESENT

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

OTHERS PRESENT

Representative from Brown Armstrong Accountancy Corporation, Brian Henderson

REVIEW AGENDA

No changes

REVIEW OF FUTURE MEETINGS

The conflict with the May 10 Board Meeting and the Spring ACWA Conference will be discussed during the second Board Meeting in April

PUBLIC PRESENTATIONS

None scheduled

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

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CONSENT CALENDAR

- a. **Approval of Regular Board Meeting Minutes – March 22, 2011**
- b. **March 2011 Check Register**
- c. **March 2011 Payroll Registers**
- d. **March 2011 Unpaid Assessment Report**
- e. **March 2011 Unpaid ISIP Assessment Report**
- f. **March 2011 Investment Account**

M/S/C/(Balls/Porter) That the Board of Directors approved the Consent Calendar by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

CONTROLLER'S REPORT

- a. **2010 Audited Financial Statements**
- b. **2010 Report to Management**
- c. **2010 Audited Retirement Plan Financial Statements**

Mr. Brian Henderson, of Brown Armstrong Accountancy Corporation, presented to the Board the Fresno Irrigation District's 2010 audit report. Mr. Henderson reported that the District follows 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, 2010, and the results of its operations, changes in fund equity, and cash flows for the year then ended, in conformity with generally accepted accounting principles as well as accounting principles prescribed by the State Controller's Office and state regulations governing special districts. Mr. Henderson stated these reports were issued as unqualified by Brown Armstrong Accountancy Corporation which is a favorable type of report.

M/S/C/(Balls/Porter) That the Board of Directors approved the audited 2010 financial reports as presented by District auditor Brown Armstrong Accountancy Corporation by unanimous vote. (Ayes 5, Nays 0, Absent 0, Abstain 0)

- d. **December 2010 Fund Statements**
- e. **December 2010 Notes to the Fund Statements**
- f. **December 2010 Treasurer's Report**
- g. **December 2010 Deposits and Investments**

Staff requests that the Board approve the Financial Reports as presented.

M/S/C/(Balls/Porter) That the Board of Directors approved the Financial Reports as given by the Controller by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

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380: WATER REPORT

a. Current Water Conditions

Watermaster Jim Irwin reported on the current and projected water supply information. As of April 11, Pine Flat release is 7,326 cfs with storage at 773,551 acre-feet. Pine Flat precipitation is 172.9% of normal. Demands for water have started to increase due to warmer weather and decreased rain.

Mr. Serrato reported that the Bureau of Reclamation has allocated additional Recovery Account Water credits.

CHIEF ENGINEER'S REPORT

Chief Engineer Bill Stretch reported on the following items:

a. Developer and Agency Project Schedule Update for 2011-2012

Developer Projects – there are no current Developer Projects taking place at this time.

Agency Projects – progress is being made on the two pedestrian bridges being constructed by the City of Fresno. The bridges are being fabricated and are expected to be installed in June.

City of Fresno's Temporary SWTF – Improvements to the Jefferson and Gunn Canals

Staff is hoping PG&E will energize the site in May or June. Minor electrical and SCADA work still needs to be finished. Staff is currently negotiating several change orders with the contractor and is negotiating the cost reimbursement with the City of Fresno.

b. Three Year MFUP Update for 2010-2011 Projects

Mr. Stretch updated the Board on the few last projects. Several flow meters still need to be installed, minor electrical, and some SCADA work still needs to be completed. The Pacheco Basin has been filled and no major issues have occurred. Only a minor leak developed on the Pacheco #1 pipeline where a connection was made. SCADA work still needs to be finished.

c. Miscellaneous Projects Update for 2011

Jameson Basin - is holding at 90% capacity while testing is being performed. The well drilling contractor started construction on April 4.

Oleander Basin - the contractor has removed the drip irrigation line, stakes/posts, and has just recently pushed over the vines. They will chip the vines in a few days and haul off site. Staff is waiting for Provost & Pritchard to provide the construction plans which should be about 90% complete.

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d. Information Items:

i. Alternatives to Oleander Bushes at Jameson Basin Located Northeast of North and Bishop Avenues. Item 2011-05

At the request of the Board, Staff researched different options, due to pest problems, to placing oleander bushes along the levee of the Jameson Basin (cell 2). The bushes were at the request of the landowner living across from the basin. After speaking to several nurseries and the Fresno County Ag Commissioner, it was determined that there were not many plants that do not host the Glassy-Winged Sharpshooter. Staff and Director Porter will follow-up with the landowner for a reasonable and cost-effective remedy.

ii. Lack of Cover Over FID Pipelines – Discussion

Mr. Stretch informed the Board about an issue on a lack of cover over various pipelines. FID has required three feet of cover for the past 25 years and two feet prior to the mid 1980's. There have been instances where there were only nine-inches to a foot of cover over some the older pipelines. Staff will follow-up with letters or meetings with those specific farmers. Director Boswell directed Staff to require from those specific farmers remedial action that restores the integrity of the pipelines.

ASSISTANT MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

a. Nielsen Site Rubble Pile Update

There has been no change in the status and material still remains on site. Additional information has been sent to the Regional Water Quality Control Board.

b. District Office Plan

Applegate and their sub-contractors are working on both the inside and outside of the building. Most of the cabinets have been installed. Interior door framing has been completed. Insulation over the T-bar ceiling and the T-bar ceiling itself has been installed. Contractors are attempting their second repair at fixing the texturing of the gypsum board in the foyer. Fascia work is being done. Discussions are continuing on the entry canopy. Concrete work on the outside will start up again since the weather has improved.

c. General Maintenance and Equipment Update

- Heavy equipment operators continue to repair canal banks and place riprap where needed. Last week they were on the Houghton West Canal west of Bishop – this week they are on Houghton West and Dickenson Waste systems repairing minor breaks caused by gopher holes;

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- Heavy equipment operators continue to remove spoil piles from the Enterprise Canal;
- Backhoe operators worked on some wash-ins on the Herndon Canal;
- Spray trucks operators last week were on the Mill and this week they are on the Enterprise then proceeding over to the Waldron Basins;
- Spray tractors were on the Fresno Colony and this week they are on the Central Waste;
- Pipeline and gate leaks continue to be repaired; and
- Trash crews continue to be busy at the usual hotspots.

Mr. Kimura presented a list of five pick-ups that Staff would like to dispose of at auction due to the expense of repairs and the mileage of these vehicles. Different disposal options are being considered.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

KINGS RIVER WATER ASSOCIATION

KRWA Lower Kings River Tour

The itinerary for the Kings River tour was handed out to the Directors. The tour will take place on April 27 starting at the Laguna Irrigation District office. The tour will be structured to visit the lower section of the river with stops at the James Irrigation District pump facility, Mendota Dam, and Sand Slough Structure being organized. Anyone interested in going on the tour should let Staff know so reservations can be made.

FRIANT WATER USERS AUTHORITY / FRIANT WATER AUTHORITY

Class I and Class II allotments have not changed. The Bureau of Reclamation has announced the allocation of an additional 460,000 acre-feet of Recovered Water Account (RWA). FID's RWA account has now been increased to take 30,000 acre-feet. RWA water was developed in settlement to off set water supply impacts at a cost of \$10 per acre-foot.

Currently there is little demand for the recaptured/recirculated water in San Luis Reservoir. Staff continues to explore possible exchange partners with Westlands Water District, San Luis Water District, and the Tulare Lake Basin.

OTHER

City of Clovis / FID Jameson Groundwater Banking Project

The agreement is almost complete – only minor language issues to work out.

Fresno County CSA 51 Re-Amended Agreement

Final language is being reviewed by FID attorney.

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Special District Meeting (LAFCO)

Mr. Serrato attended a special district meeting. Although there were a number of items that were discussed, the majority of the meeting centered around special district representation on the Fresno Local Area Formation Commission. Supervisor Susan Anderson and Larry Fortune were present and spoke in favor of the special district representation.

Congressional Hearing

Mr. Serrato attended a congressional hearing held at the Fresno City Council Chambers. Discussions centered around lack of above/below ground storage, ocean conditions affecting salmon, Delta biological opinions, and the San Joaquin River Restoration program.

SBX7-7

A number of districts signed on to a letter sent to the Department of Water Resources requesting changes to the bill. The letter recommended the change to three issues: 1) extending the implementation deadline (the proposed timeframe is impractical); 2) accuracy (the bill requires to be within 3%); and 3) certification and service requirements of measurement in the field.

Joint Tour with Fresno Metropolitan Flood Control District

Staff inquired if any of the Directors would be interested in a joint tour with the Flood Control District to view sites where the two districts are inter-tied. Sites would include Big Dry Creek Reservoir, Fancher Creek Detention Basin, Mudd Creek, and a few basins. The tour will be schedule in May and will be for half a day.

ADMINISTRATIVE MATTERS

a. Re-districting Update (informational only)

Mr. Serrato reviewed the results of the report released by the Census Bureau for the five District's divisions as analyzed by Marguerite Leoni. Ms. Leoni from the legal firm of Nielsen Merksamer Parrinello Gross & Leoni LLP also included a map of the proposed redistricting and a timeline. Ms. Leoni will visit the Board during an October meeting to outline the criteria for the redistricting of the Directors areas.

b. Overnight Stay for Controller to Attend Special District Institute – Advanced Studies April 28-29, 2011 – Indian Wells, CA

The Controller requested approval for overnight stay to attend a Special District Institute seminar to be held in Indian Wells.

M/S/C/(Porter/Balls) That the Board of Directors approved the Controller's stay at Indian Wells by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

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c. Workers' Compensation Incentive Points – Follow-up

Ms. Singh passed around a sign-up sheet of the approved classes to the Directors that qualify for incentive points towards the District's Workers' Compensation invoice.

d. Required Ethics and Harassment Training – Follow-Up

Ms. Davis suggested that a webinar could be held at the District office on the same day as one of the Board of Equalization meetings.

DIRECTORS' REPORT

None

CLOSED SESSION

Open Session concluded at 7:23 pm and the Board went immediately into Closed Session.

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)). Conference with Legal Counsel – Anticipated Litigation (G.C. §54956.9. Significant Exposure to Litigation pursuant to subdivision (b)): Nielsen Avenue Property.

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)): County Service Area 51.

Government Code Section 54956.7. Conference with Labor Negotiators Regarding Terms and Conditions of Employment with Represented Bargaining Groups.

Government Code Section 54956.8 Real Property Transactions.

Negotiators: Gary R. Serrato, FID and River Cross, Inc.

Properties: APN 015-330-15S

Terms and Conditions: Agreement for Purchase and Sale of Real Property and Escrow Instructions.

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)): Applegate Johnston, Inc.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Neely reported from Closed Session that the River Cross property has now closed escrow in the amount of \$114,156.53.

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ADJOURNMENT

President Neely adjourned Closed Session at 7:27 pm and adjourned Open Session at 7:28 p.m.

Submitted By,

Gary R. Serrato
Secretary of the Board