

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 16, 2013**

Fresno Irrigation District's Board of Directors met in regular session at the District office located at 2907 South Maple Avenue – Fresno, California, on April 16, 2013. Meeting was called to order at 5:00 p.m. by Board President Ryan Jacobsen.

DIRECTORS PRESENT

President Ryan Jacobsen
Vice President Steven Balls
Jeff Neely
George Porter
Gregory Beberian

DIRECTORS ABSENT

None

STAFF PRESENT

General Manager Gary Serrato
Assistant General Manager Laurence Kimura
Assistant General Manager of Operations Bill Stretch
Watermaster Jim Irwin
Controller DeAnn Hailey
Human Resources Director September Singh
Recording Secretary Lynn B. Rowe

OTHERS PRESENT

Bureau of Reclamation Leadership Program Participant Rena Ballew

REVIEW AGENDA

Mr. Serrato requested that item 5 f. be moved to the Assistant General Manager - Operations' Report as agenda item 8 g. The Board had no objection to the change.

REVIEW OF FUTURE MEETINGS

No changes.

PUBLIC PRESENTATIONS

Mr. Serrato introduced Ms. Ballew with the Bureau of Reclamation (Fresno Office) and explained that she was 'shadowing' him as part of her requirement for a leadership program within the Bureau of Reclamation. Ms. Ballew explained this was a program through a university for upper management employees.

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 12, 2013**
- b. **March 2013 Check Register**
- c. **March 2013 Payroll Registers**
- d. **March 2013 Unpaid Assessment Report**
- e. **March Investment Account**

Moved to item 8 g.:

- f. ***Agency Pipeline Project – Jointly Funded Pipeline Project with FMFCD and City of Fresno on Bullard Canal No. 124 Located Near the BNSF Railroad. Action Request 2013-02***

Staff requested the item 5 f. be moved to the Assistant General Manager - Operations' Report – Engineering and Maintenance as item 8 g.

M/S/C/(Balls/Porter) That the Board of Directors approved moving item 5 f. to the Assistant Manager of Operations' Report as item 8 g. and also approved the Consent Calendar items 5 a. – e. by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

CONTROLLER'S REPORT

Ms. Hailey stated that she will begin with items 6 c. – f. and then follow with the presentation of the auditor's report (6 a. and b.).

- c. **December 2012 Fund Statement**
- d. **December 2012 Notes to the Fund Statement**
- e. **December 2012 Treasurer's Report**
- f. **December 2012 Deposits and Investments**

The Controller reported that the District is within the 2012 Budget. The December Fund Statement represents all of 2012, so the budget compared to actual percentages should be at 100%. During 2012, the District's expenses were able to remain equal to its income. Funds designated to the Three-Year Plan have been fully expended.

M/S/C/(Balls/Porter) That the Board of Directors approved the financial reports as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

- a. **2012 Audited Financial Statements (walk in)**
- b. **2012 Audited Employee's Retirement Plan (walk in)**

Mr. Brian Henderson, of Brown Armstrong Accountancy Corporation, met with the Finance Committee on April 12 since he was not able to attend the April 16 Board meeting. The Controller presented to the Board what was discussed at that meeting regarding Fresno Irrigation District's 2012 Audited Financial Statements and Audited

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Employee's Retirement Plan. It was 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, 2012, 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. The auditor reported at the Finance Committee meeting that "Our opinion is not modified with respect to the matter." The key words being "not modified". The auditor also issued a "not modified" opinion on the audited financial statements for the District and the District's retirement plan. The only suggestion from the auditor was for the District to have an "opt-out form" for employees who decline participation in the District's 401(k) Plan – this has since been taken care of.

M/S/C/(Balls/Porter) That the Board of Directors approved the 2012 Audited Financial Statements and Audited Employee's Retirement Plan as presented by the Controller by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

WATER REPORT

a. Current Water Conditions Report

Watermaster Jim Irwin reported on the current and projected water supply information. As of April 15, Pine Flat release was 714 cfs with storage at 387,889 acre-feet. Pine Flat precipitation is at 58.9% of seasonal average. Mr. Irwin stated the updated Bulletin 120 will be released later this week. Temperatures are predicted to go back up into the 80's by next week. Staff continues to anticipate delivering water to the entire District through the end of July which will make a three and four month staggered run for 2013. Staff will have a clearer idea by May 1 if we will be able to run through to the end of July. According to historical records the 2012-2013 rain/snow season is tracking to be the seventh driest on record.

Consolidated Irrigation District (CID) announced last week that they will not be making a run this year.

Mr. Serrato stated that KRWA announced that the pre-project peak is expected on May 1. KWRA is requesting all member districts submit their schedules for deliveries this season, in anticipation of districts requesting to utilize their reserve Temperature Control Pool supply. It is anticipated that all districts will be shut off by the end of July and only the fishery management program will run. Mr. Serrato will meet with CID and request the repayment of the 5,000 acre-feet they owe FID and to back-stop FID's portion of the Temperature Control Pool.

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b. Potential Banked Water Sales

Mr. Serrato received inquiries from Madera Irrigation District and Kern-Tulare District for the purchase of a total of 15,000 acre-feet of banked water from the Waldron Groundwater Banking facility. Staff requested authorization to sell up to 15,000 acre-feet of water from the Waldron Groundwater Banking Facility.

M/S/C/(Balls/Porter) That the Board of Directors approved the sale of up to 15,000 acre-feet of banked water from Waldron with the income to be placed in the Water Purchase Fund by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

ASSISTANT GENERAL MANAGER - OPERATIONS REPORT / ENGINEERING AND MAINTENANCE (formerly known as the Chief Engineer's Report)

Assistant Manager of Operations Bill Stretch reported on the following items:

a. Developer and Agency Project Schedule Update for 2012-2013

Developer Projects –There are two on-going projects: 1) replacement of 620 feet of 21-inch PVC with 24-inch RGRCP on the Helm Colonial W. Branch at Nees and Peach avenues; and 2) King of Kings Housing Development is replacing 350 feet of 30-inch CIPCP with 30-inch RGRCP on the Braly Canal at California and Martin Luther King Blvd.

Agency Projects – There are no projects currently taking place. Staff is still dealing with new PG&E gas mains crossing several of our canals.

b. California High Speed Rail Update (HSR)

The District has received an executed copy of the Reimbursement Agreement. Reimbursement to the District is expected by the end of May. A “design-build contractor team” has been selected for the first portion of the project. A meeting with the HSR, water districts, and attorneys will be scheduled to discuss the Fish and Game permits.

c. Landowner Initiated Projects Update for 2012-13 and 2013-14

There are no projects in progress.

d. FID Projects Update for 2012-13 and 2013-14

Basins

Waldron Recovery Well #104 – the contractor should have the well drilling portion of the project wrapped up by the end of this week. The bids for the well equipping portion of the meeting took place last week. Staff is reviewing a few minor items with the contractor and anticipates an award by the end of the week. The project should begin

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by the end of April or beginning of May and be operational by late July, provided PG&E provides power.

e. Private Bridge Update on Thompson Canal, S/W Dakota and Jameson Avenue

Staff recently met with Mr. Christian and Mr. Haupt regarding the issue of private bridges on the Thompson Canal. It was discussed that the normal water level will be maintained during this irrigation season. Mr. Christian and Mr. Haupt are obtaining estimates for repairs to their bridges.

f. General Maintenance Update for 2013-14

Spring weed treatment and aquatic weed treatment are taking place on the Gould, Enterprise, and Lower Dry Creek systems. Additional details of the Maintenance/Construction operation can be found on the "Assistant Manager-Engineering & Maintenance Report".

Mr. Stretch presented slides on the following maintenance and construction projects:

- Kennedy-Owens – Turnbull flap gate;
- Waldron Banking Facility – well drilling;
- Adams Avenue Wasteway – Long Crested Weir;
- Herndon Canal – bridge removal (private);
- Kennedy-Owens Canal – remove aquatic weeds by dragging chain;
- North Central Basin – grader scrapping;
- Lambrecht Cell No. 4 – French Drain issue (seepage problem);
- N. Br. Oleander – Long Crested Weir (inside a box structure); and
- Central Canal at the head of the Fresno Colony Canal – trash deflector.

g. Agency Pipeline Project – Jointly Funded Pipeline Project with FMFCD and City of Fresno on Bullard Canal No. 124 Located Near the BNSF Railroad. Action Request 2013-02

The City of Fresno is proposing to widen (from two lanes to four lanes) and improve the existing portion of Santa Fe Avenue that crosses FID's Bullard Canal. The existing Santa Fe Avenue lies parallel and adjacent to Burlington Northern Santa Fe's railroad (BNSF RR) right-of-way, located roughly northeast of Sierra and Milburn avenues. As part of the project, they will be removing and replacing the existing 36-inch culvert crossing Santa Fe Avenue with approximately 121 feet of 60-inch diameter ASTM C-361 Rubber Gasketed Reinforced Concrete Pipe (RGRCP) RGRCP and approximately 9 feet of open canal with 42-inch RGRCP. The short reach (9 feet) of 42-inch RGRCP will tie-into the existing 42" culvert under the BNSF RR.

As part of the project, FID and the FMFCD have requested that the City include piping the existing 33 feet of open canal located west (downstream) of the BNSF RR. The pipeline would be a 42-inch ASTM C-361 RGRCP and connecting to BNSF's existing

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42-inch railroad culvert crossing. The construction estimate for additional work has been adjusted to approximately \$40,000. FID anticipates a 50/50 cost share with FMFCD for the additional work. FID's contribution towards the project is estimated at \$20,000. Historically, the section of open canal within the BNSF RR right-of-way has created numerous operational and maintenance issues. Another benefit to the project is the City of Fresno will be responsible to acquire the necessary permits to work within the BNSF RR which can be expensive and time consuming. The City is proposing to install the pipeline during the fall of 2013, assuming they receive the necessary funding.

The City of Fresno has requested that FID pay for some of the City's administrative fees, the engineering survey costs and permits, and any reasonable change orders. It is Staff's recommendation to proceed with the project. This project is contingent upon the City receiving federal, state, and local funding.

M/S/C/(Balls/Porter) That the Board of Directors approved FID participation in this project for a shared cost with FMFCD where FID's portion is approximately \$20,000 by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

ASSISTANT GENERAL MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

a. Nielsen Site Rubble Pile

The results from the soil samples taken from the site have been sent to the Fresno County Department of Health. The County is reviewing the report but verbally indicated that the best solution would be to use the soil as cover or fill in the same location. Staff is developing a work plan that will be submitted to the County for approval before making any changes to the site.

b. District Office Plan

Staff thoroughly reviewed the Phase C draft plans and put together comments and changes for SIM Architect. SIM is making the corrections and adding more details to the plans. The Phase C portion of the project encompasses the Edgar Street improvements, removal of the old building, landscaping, and constructing additional parking. Next week contracting crews will be on-site at the old building removing the putty from around the windows that contains asbestos.

c. Equipment Update

Staff reported the Chevrolet C1500 pickup with 200,000 miles that was taken to auction was sold for a net amount of \$2,125 to the District.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

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KINGS RIVER WATER ASSOCIATION

Pre-1914 Water Rights

At the KRWA meeting held on April 16, it was announced that the Pre-1914 Water Rights report has been received from the State Water Resources Control Board. KRWA reviewed the changes and comments made to the report. Critical in the report is to identify the volume of water designated as Pre-1914. The language that KRWA was hoping for is contained in the report. Cost of the report was also reported.

Mr. Chris White presented to KRWA the serious issue of subsidence that has been occurring in the Los Banos area and in and around the Mendota Pool. Subsidence in the area has been occurring at the rate of two-feet per year and is now affecting the capacity of the Chowchilla Bypass which is utilized to safely convey flood waters to the Delta.

Pine Flat Dam Repair

Repairs have been halted on the dam until contractors could inspect the seepage issue. The seepage problem is not interfering with the water level behind the dam or the operation. Crews have installed relief wells which pick up the seeping water and distribute it into the river.

FRIANT WATER AUTHORITY

BUREAU OF RECLAMATION ALLOCATION

San Joaquin River Restoration Program

The Bureau of Reclamation has reduced the water required for River Restoration from 195,000 acre-feet to 173,000 acre-feet total for this year. It was reported in the Fresno Bee that fry (salmon) have been released into the river. A study on water temperature and habit will be conducted.

OTHER

Kings County Water District Groundwater Recharge Facility

Kings County Water District has a signed MOU with all the area farmers which outline the operations of the facility. It was reported that the plan will be implemented this year.

Kings River Watershed Coalition

The Kings River Watershed Coalition held a Board of Directors meeting to discuss the Irrigated Lands Regulatory Program. Mr. Orth reported that the Waste Discharge General Order for the Tulare Lake Basin was challenged in Court and implementation could be delayed.

Mr. Orth also reported on his participation on the Board of Central Valley Salinity Program (CV – Salts).

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The Coalition also discussed the potential dissolution of the South San Joaquin Valley Water Coalition (SSJVWQC) with Kaweah, Tule and Kern interests and pursuing the Kings River – Tulare Lake General Order.

Miscellaneous

Mr. Serrato mentioned if any Director is interested in attending the 2013 Spring ACWA Conference, they should speak with Staff as soon as possible.

ACWA Region 6 will be holding their general election. The deadline for submitting applications is June 30. Any Directors interested in running should contact Mr. Serrato who is on the nominating committee.

ADMINISTRATIVE MATTERS

a. Revisions to the WSO Criteria

Ms. Singh reported that Staff (negotiation team) has met with OE3 to discuss clarification on the qualifications and requirements for promotions within the WSO positions. The language in the MOU was clarified to fit what is in actual practice.

M/S/C/(Balls/Neely) That the Board of Directors approved the changes in the MOU with OE3 as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

b. Revisions to Policy 140-529

Staff met with the OE3 to clarify Policy 140-529 regarding scheduled and unscheduled sick leave absences.

M/S/C/(Porter/Balls) That the Board of Directors approved the revisions to Policy 140-529 as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

DIRECTORS' REPORT

Director Beberian – went on a tour of the banking facility with Mr. Serrato. He found the facility interesting and was impressed with the way an employee was checking on the security of the area.

Director Porter – went on a tour with Friant to the west side. Westlands Water District is starting to monitor the well levels of their growers.

ADJOURNMENT

Open Session adjourned at 7:55 p.m.

CLOSED SESSION

The Board went into Closed Session at 7:56 p.m.

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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 – Pending Litigation (G.C. §54956.9(a)); Applegate Johnston, Inc. vs. Fresno Irrigation District.

Government Code Section 54956.8 Real Property Transactions.

Negotiators: William Stretch and Gary R. Serrato – FID; City of Clovis
Properties: APN 560-031-11 and APN 556-050-16
Terms and Conditions: Negotiations of Purchase and Sale of Real Property.

CLOSED SESSION ADJOURNMENT

President Jacobsen adjourned Closed Session at 8:20 p.m.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Jacobsen stated there was nothing to report from Closed Session.

ADJOURNMENT

Open Session adjourned at 8:21 p.m.

Submitted By,

Gary R. Serrato
Secretary of the Board