

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD DECEMBER 17, 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 December 17, 2013. Meeting was called to order at 5:02 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
Recording Secretary Lynn B. Rowe

OTHERS PRESENT

Landowner Mark Haupt (left at 5:15 pm)
Landowner Dennis Haupt (left at 5:15 pm)
Landowner Gary Christensen (left at 5:15 pm)
Granville Homes Representative Jeff Roberts (left at 5:15 pm)

REVIEW AGENDA

Staff also requested that items 11 a. and 11 b. are brought before the Board for motion following the Consent Calendar. President Jacobsen stated that both the items will be handled as one discussion but will be called upon as two separate actions.

REVIEW OF FUTURE MEETINGS

The Mid-Pacific Region Water Users Conference will be held during the week of January 20, 2014, which conflicts with the next scheduled Board meeting. Currently two Board members are scheduled to attend the conference with the possibility of one or two Staff members also attending. President Jacobsen suggested that the regular January meeting be moved either up or back a week. Staff was asked to send out a survey to Board Members to see which date would work the best and reschedule as determined.

PUBLIC PRESENTATIONS

No presentations.

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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]

Directors Jacobsen and Porter will recuse themselves from voting on the portion of the 2014 budget covering contributions to other agencies due to their affiliation with the Fresno County Farm Bureau.

CONSENT CALENDAR

- a. **Approval of Equipment Committee Meeting Minutes – November 19, 2013**
- b. **Approval of Regular Board Meeting Minutes – November 19, 2013**
- c. **Approval of Finance Committee Meeting Minutes – December 10, 2013**
- d. **November 2013 Check Register**
- e. **November 2013 Payroll Registers**
- f. **November 2013 Unpaid Assessment Report**
- g. **November 2013 Investment Account**
- h. **Developer Pipeline Project – Wilson Homes (Tract 6055) will Pipeline the Jefferson Canal No. 112 Located Southeast of Barstow and Leonard Avenues in Accordance with Board Policy. Action Request 2013-20**

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

ADMINISTRATIVE MATTERS

11 a. Review of Claim Submitted by Dennis Haupt

11 b. Review of Claim Submitted by Gary Christian

Mr. Serrato stated that the claim forms submitted by Mr. Haupt and Mr. Christian were received and reviewed. At the November Board of Directors meeting Staff was directed by the Board to submit the claims to the Joint Powers Insurance Authority (JPIA), the District's insurance carrier. The claims have been submitted to JPIA and Staff now needs for the Board to take formal action.

Mr. Mark Haupt addressed the Board by stating that the Haupt and Christian bridges need to be replaced because, in their opinion, the damage was caused from the maintenance to the canal and they should not have to pay for the replacements.

M/S/C/(Porter/Balls) That the Board of Directors denied Mr. Dennis Haupt's claim and directed Staff to forward the information to JPIA for further review as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

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M/S/C/(Neely/Balls) That the Board of Directors denied Mr. Gary Christian's claim and directed Staff to forward the information to JPIA for further review as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

The claimants asked what they should expect from the insurance company as far as a timeframe and being contacted. Mr. Serrato explained that JPIA is already working on the claims and they should be hearing from them shortly.

CONTROLLER'S REPORT

Controller DeAnn Hailey reviewed the following financial reports:

- a. **October and November 2013 Fund Statement**
- b. **October and November 2013 Notes to the Fund Statement**
- c. **October and November 2013 Treasurer's Report**
- d. **October and November 2013 Deposits and Investments**

Ms. Hailey reviewed the Fund Statement for October and November. Revenues are at 102% for the year. Expenses are tracking on target or under budget (depending on the line item).

Director Beberian asked if the Controller has been able to prepare a PG&E comparison between the new and old buildings. Ms. Hailey stated it will be presented at the January meeting.

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

- e. **Adoption of 2014 Budget**

Mr. Serrato emphasized the detail that the department heads, controller, and general manager puts into the proposed budget. Each line item is reviewed and historical data is taken into consideration when preparing each department's budget. The proposed budget is reviewed with the Finance Committee before bringing it to the full Board for adoption. Annual budgets are based on a six-month water season and is then reviewed and adjusted during a mid-year review as the water delivery season is more defined. The Controller reviewed the 2014 budget and explained the recap of budget changes for amounts exceeding \$10,000. **Director Beberian inquired where in the budget it showed expenses vs. income. Mr. Serrato explained that Staff was requesting the Board to approve a non-balanced budget where expenses exceed income. Mr. Serrato further explained that the District's initial budget is based on a six month water run and that the District has not raised rates since 2010 as costs continue to increase. Staff will present options at the budget mid-year review that will help bring the budget into balance. Options could include 1) sell water from the groundwater banking facilities; and 2) reduction of aquatic herbicide applications, as well as, other cost saving measures.**

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M/S/C/(Balls/Neely) That the Board of Directors approved the 2014 budget, minus the category of contributions to other agencies, as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

Due to their affiliations with the Farm Bureau, Directors Jacobsen and Porter abstained from the motion / vote and Vice President Balls called for the following vote:

M/S/C/(Neely/Balls) That the Board of Directors approved the 2014 budget contribution to other agencies line item as presented by Staff by the following vote. (Ayes – Beberian, Balls, Neely; Nays – 0; Absent – 0; Abstain – Jacobsen, Porter)

WATER REPORT

a. Current Water Conditions Report

Watermaster Jim Irwin reported on the current and projected water supply information. As of December 16, Pine Flat release was 121 cfs with storage at 170,953 acre-feet. The pre-project for the Kings River is at 182 cfs with FID's entitlement of 89 cfs. Precipitation is at 39.7% of normal. The Sierra's did receive about two inches of snow from the last event which brings it up to 41% of normal as of December 16. The extended forecast shows there is a chance of another storm event towards the end of December. Water diversions to the Cities' Surface Water Treatment Plants have started in the Enterprise Canal after being shut down for about a month for annual maintenance.

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

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

a. Developer and Agency Project Schedule Update for 2013-2014

Developer Projects – the contractor on the Jefferson Canal project at Barstow and Leonard avenues will finish up within the next few weeks. Approximately 235-feet of old 42-inch concrete pipe and open canal is being upgraded with 48-inch of RGRCP.

Agency Projects – the City of Fresno will be working on two projects along Herndon Avenue. One project is between Brawley and Valentine where almost 2,000 feet of open canal will be replaced with 54" PRRCP. This project should be wrapped up within the next week. The other project on Herndon Avenue is between Blythe and Brawley where 230 feet of open canal will be replaced with 60" RGRCP (Bullard Canal) and 20 feet of open canal will be replaced with 24" RGRCP (Radin-Kamp). This project will start in early January.

City of Clovis –corrected an erosion problem under the culvert on the Big Dry Creek west of Villa on Herndon. The lining was extended and rip-rap was added.

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City of Fresno – will install sewer and water mains that will impact several of the District’s canals. Boring under the canals will start in early 2014.

Sebastian/Kertel – will install fiber optic utilities that will impact several of the District’s canals. Boring under the canals will start in early 2014.

In late November, Staff met with representatives from Sebastian to discuss their utilities that crosses FID’s canals. During the meeting the Kerman issue was discussed where Sebastian bore into a pipeline which caused a leak on a road. However, the main discussion was centered on moving forward and how to improve communications. Staff did emphasize that the District was not part of USA (Underground Service Alert) and has no intention at this time of joining. Discussions included developing a memo to include FID on all upcoming projects during the planning process and obtaining the necessary permits.

Fresno Metropolitan Flood Control District EDA Grant – FMFCD went after a grant as the lead applicant with Fresno Irrigation District, Fresno County, and the City of Fresno acting as co-applicants. The grant will help fund curb-and-gutter work, street improvements, storm drain improvements, and replacing 1,700 feet of 42-inch Cast-in-Place pipeline on FID’s North Central Canal with 48-inch RGRCP located southwest of North and Oranges avenues.

California High Speed Rail Update (CHSR)

Staff is starting to meet with CHSR authority representatives more often – approximately every two weeks. There have not been any significant updates since the last meeting.

b. Landowner Initiated Projects Update for 2013-14

Staff is continuing to work on developing the criteria to be used when deciding on landowner initiated projects. Staff plans to present an update at the January 2014 meeting.

c. FID Projects Update for 2013-14

Waldron Recovery Well #104: Equipping – Staff has been talking with PG&E to energize the site. PG&E had originally quoted a date at the end of January but has since rescheduled it for January 3, 2014. The SCADA Integrator will put in the monitoring equipment once power has been established.

Boswell Banking Facility – N/E North and Bishop – the contractor will be widening the north levee and adding rip-rap to the corners. The project will start in late December and is not expected to take very long.

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Capital Improvement Projects

The improvements to the Thompson Canal are almost complete and the long-crested weir constructed in front of Mr. Christensen's property has been finished.

Crews are retrofitting an existing hydraulic gate with electric Rotork gates on the Lower Dry Creek at S/E Nielsen and Teilman. A small long-crested weir is being constructed on the East Branch Canal west of McCall and Olive avenues at the Limbaugh Pond. A small automated gate is being installed at the Lambrecht Banking Facility at S/W Shaw and Goldenrod.

Crews are constructing 800 feet of eight-inch PVC seepage interceptor pipeline along the Enterprise Canal at N/E Olive and Riverbend.

The Waldron Lambrecht Banking Facility at S/W Shaw and Goldenrod is experiencing seepage along the south wall. Starting in late January 2014, a new interior levee (Cell #4) will be constructed to eliminate seepage to a neighboring property.

A pipeline project on the Fairview Canal will take place. Crews plan to realign and replace 1,700 feet of 20-inch pipeline with 21-inch PVC PIP 100 at the N/W corner of McKinley and Bethel avenues. A significant amount of brushing needed to be done before crews could start on the realignment. Most of the pipeline along Bethel has been installed.

Crews will realign and replace approximately 200 feet of 20-inch concrete pipe with 24-inch PVC PIP 100 pipe along the Madera Avenue Canal at N/W Belmont and Madera. This project will be completed in the next week or two.

Crews will move a pipeline that now crosses directly through the Pursell Pond at S/W Jefferson and Cedar avenues. It is the intent to combine the west and east cells into one cell. Installation will include three 60-inch standpipes and a 30-inch PVC pipe.

Along the Hansen Canal, maintenance crews lined a small portion of the canal where a landowner removed an old private bridge. The new lining connected the old linings that were upstream and downstream along the canal. Once the lining project was complete, a new bridge using FID's specifications was built at the landowner's expense.

d. General Maintenance Update for 2013-14

- Crews rented a Bobcat (tractor) to remove sand/sediment from under and around bridges and gates with narrow access;
- Crews dredged the Enterprise Canal at S/W Bullard and McCall;
- Removal of brush at Dog Creek took place;
- Grading crews were out along the Gould Canal west of Academy and sloping crews were out on the Washington Colony South Branch Canal west of Cedar and Clayton avenues;

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- Maintenance crews performed repairs on box structures, pipelines, and gates throughout the District; and
 - Homeless camp cleanup took place on the Fancher Creek at Clovis and Tulare avenues. As of late, the appearances of homeless encampments have been reduced in number.
- e. Grant Application – Approve Funds to Prepare Application for USBR Funds to the Improvements Project. Action Request 2013-21**

Staff is proposing that FID apply for a grant administered by the United States Bureau of Reclamation (USBR) known as the WaterSMART Water, Energy, and Efficiency Grants (WEEG) for FY 2014. Through the Grant Program, USBR provides a cost-shared funding on a competitive basis for projects that will create water markets and make more efficient use of existing water supplies.

The available Federal funds are expected to be approximately \$12,000,000 and are available for award in FY 2014. USBR's share of any one proposed project may be up to 50% of the total project cost. There will be two funding groups: 1) Group I includes grants awarded up to \$300,000 and 2) Group II includes grants awarded between \$300,000 and \$1,000,000 total. Staff is recommending that FID pursue \$1,000,000 of grant funding.

FID has been successful in obtaining several other USBR grants. Staff is working with Provost & Pritchard Consulting on writing the grant. Staff recommends that the funds be used for the first phase of the FID Southwest Groundwater Banking Project, with a cost share of \$1.16 million. This completed project will consist of conveyance capacity improvements along Lower Dry Creek Canal and the JID McMullin Grade Canal, and the construction of a 160 acre groundwater banking site. Should the Board agree, the USBR requires that the Board of Directors approve a resolution which will be brought before the Board at the January meeting.

If approved, FID's consultant will begin preparing the grant application which is estimated to cost between \$10,000 and \$15,000.

M/S/C/(Porter/Balls) That the Board of Directors approved Provost & Pritchard Consulting develop a grant application for the USBR WaterSMART Grant at a cost of between \$10,000 and \$15,000 with funds to come from the Water Purchase Fund as presented by Staff by unanimous vote. (Ayes – 5; Nays – 0; Absent – 0; Abstain – 0)

f. Groundwater Levels in Fresno Irrigation District (discussion only)

Mr. Stretch reviewed several maps showing the Fresno County area groundwater table from 1985 to 2012. The maps showed that the groundwater table has significantly declined over the years. The District is a member of the Fresno Area Coordinated Groundwater Management Group along with ten other Fresno County agencies. This group shares the cost of preparing the maps and reports and works together to develop

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ways of improving the groundwater levels. Mr. Stretch will provide more detailed information during the February meeting.

Break

A short break was taken from 7:13 - 7:25 p.m.; during which time no District business was discussed.

Open Session resumed at 7:25 p.m.

ASSISTANT GENERAL MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

Mr. Kimura stated he will present the District Office Plan following his pesticide and equipment reports.

b. Aquatic Pesticides

Staff is working with Blankinship and Associates to finish developing an Aquatic Pesticide Application Plan (APAP) to complete the CEQA process necessary to use copper and acrolein to control aquatic vegetation within the District. The Notice of Determination on the mitigated negative declaration was filed with the County of Fresno and Staff received the signed-off copy. The notice was submitted to the State of California where they have 90 days for review. Staff anticipates the process being complete prior to the water season.

c. Equipment Update

The equipment approved by the Board to be purchased has been ordered. The pickup will be delivered in 2014, the compressor should be delivered at any time, if not already, and the delivery of the bucket is expected soon. The pickup (vehicle #633) approved to be taken to auction sold for \$3,400.

a. District Office Plan

Phase C of the office plan projects continues. The construction company has finished demolishing the old office building and has backfilled the area. Mr. Kimura showed pictures of the curb and gutter work on Edgar Avenue; the back door to the DT storage/training building being worked on; electrical conduit being installed; interior gutter work being installed; and the storm drain pipe installed. Additional concrete covering is being placed over the gasoline cap for extra protection.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

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KINGS RIVER WATER ASSOCIATION

Mr. Serrato reviewed the Kings River Water Quality Coalition form that was handed out at the Kings River Executive Committee meeting. Staff has started to receive a few calls concerning the Coalition; callers were directed to contact KRCD for additional information.

Mr. Serrato also reviewed the work that the Water Safety Council of Fresno County is doing to educate the public on water safety; especially focusing on school-aged children. Copies of age-appropriate educational materials that are passed out at schools and events were displayed. Fresno Irrigation District is a major contributor of funding to the Safety Council.

Senate Bill No. 751(Yee)

SB 751 will take effect on January 1, 2014 – this Bill deals with changes to the Brown Act. The most significant change is that the President (or acting President) of the Board will now be required to “... *publicly report any action taken and the vote or abstention on that action of member present for the action.*” In effect, this means that all motions and votes must be verbally stated by the President of the Board immediately following the action.

Also stated in the Bill is the provision that, “*No legislative body shall take action by secret ballot, whether preliminary or final.*” This also includes Closed Session actions.

Pre-1914 Water Rights

An External Issues Committee meeting was held on December 17. The KRWA Watermaster Steve Haugen and consultants reported on their meeting with the State Water Resources Control Board staff. The KRWA reviewed the draft report with the State Board staff and requested a review of the irrigated acres. KRWA staff is in the process of providing additional information that was located in a “Conservation Commission Report” to consider. Mr. Serrato is currently reviewing all the data and providing comments to KRWA.

DWR Proposition 84 Grant

KRWA received an \$850,000 grant from the Department of Water Resources to upgrade/replace the snow sensor equipment on the Kings River Watershed. Two new gauging stations on the South Fork will be installed during the summer of 2014.

FRIANT WATER AUTHORITY

Friant / Bureau Negotiations

Friant continues to negotiate with the Bureau of Reclamation on the parameters of the “Rescheduling Guidelines” for 2013. A meeting is scheduled for Friday, December 20 where a discussion will be held to select the new location for the Mendota Pool By-pass. The By-pass is required for the San Joaquin River Restoration project.

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Arvin Edison Water Storage District and Metropolitan Water District have proposed a water transfer / exchange program that is currently out for review as required under the US Bureau of Reclamation NEPA requirements. At its last Board meeting Friant discussed this topic and will be submitting comments to the Bureau's Environmental Assessment's report regarding the place of use and operational procedures. An additional 45 days will be requested to further study this proposal.

OTHER

Mid Pacific Region Water Users Conference

The upcoming conference will be held from January 22 through the 24 in Reno, NV. Any Board Member wishing to attend should contact Staff to make arrangements. At this time, two Board Members are planning on attending.

California Water Action Plan

Discussions centering on groundwater overdraft and subsidence were the main breakout sessions during the most recent 2013 ACWA Conference. The Tulare Lake Hydrological Region is the focus of the Department of Water Resources.

KMJ Radio Broadcast

Mr. Serrato mentioned there was a broadcast in mid-December on KMJ 580 (the Ray Appleton Show) that discussed the City of Fresno's recent water rate hikes and the City's water supply. The aired discussion regarding overdraft issues had several misstatements concerning the City's water rights. It was noted by Mr. Serrato that the City has two water supplies, 1) a contract with the Bureau of Reclamation for a Class I contract of 60,000 acre feet; and 2) a contractual agreement (Conveyance Agreement) with the Fresno Irrigation District that allows the City to obtain water from the FID Kings River Water Supply. The City does not have an entitlement of Kings River Water. A Pod cast of the entire discussion can be heard on KMJ's website.

ADMINISTRATIVE MATTERS continued

c. Resolution 2013-05 / Jose Granados Retirement

Mr. Granados has served the District for the past forty years and Staff would like to honor him with a plaque on behalf of the District and the Board.

M/S/C/(Balls/Porter) That the Board of Directors approved Resolution 2013-05 / Jose Granados retirement as presented by Staff by the following roll call vote. (Ayes – Beberian, Balls, Jacobsen, Porter, Neely; Nays – 0; Absent – 0; Abstain – 0)

DIRECTORS' REPORT

Director Beberian – none

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Director Balls – none

Director Jacobsen – reminded the Directors of the 2014 BOD meeting calendar that was handed out.

Director Porter – none

Director Neely – enjoyed the dessert platter and thanked Director Beberian for bringing it.

CLOSED SESSION

There was no Closed Session held.

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 – Pending Litigation (G.C. §54956.9(a)); Fresno Irrigation District vs. SIM Architect.

Government Code Section 54956.8 Real Property Transactions.

Negotiators: Gary R. Serrato-FID, Bill Stretch-FID, and the City of Clovis

Properties: APN 560-031-11 & 557-031-05, 39

Terms and Conditions: Negotiations of Purchase and Sale of Real Property.

Conference with Legal Counsel-Anticipated Litigation (Government Code Section 54956.9(b)). Conference with Legal Counsel – Potential Litigation (G.C. §54956.9(a)): Jeremy Hobensack vs. Fresno Irrigation District.

ADJOURNMENT

President Jacobsen adjourned the meeting at 8:36 p.m.

Submitted By,

Gary R. Serrato
Secretary of the Board