

**FRESNO IRRIGATION DISTRICT  
MINUTES OF THE REGULAR MEETING  
HELD MARCH 18, 2014**

Fresno Irrigation District's Board of Directors met in regular session at the District office located at 2907 South Maple Avenue – Fresno, California, on March 18, 2014. 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  
Controller DeAnn Hailey  
Senior Staff Engineer Adam Claes  
Recording Secretary Lynn B. Rowe

**OTHERS PRESENT**

EcoloBlue Company Representative Doug Davis  
Wells Fargo Investment Banker Michael Kronbetter

**REVIEW AGENDA**

No changes.

**REVIEW OF FUTURE MEETINGS**

No changes.

**PUBLIC PRESENTATIONS**

Mr. Doug Davis of EcoloBlue spoke before the Board. EcoloBlue specializes in producing atmospheric water generator equipment that can create drinking water from humidity. Mr. Davis provided pamphlets of his product to the Directors and Staff and thanked the Board for their time.

**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 – February 18, 2014**
- b. **February 2014 Check Register**
- c. **February 2014 Payroll Registers**
- d. **February 2014 Unpaid Assessment Report**
- e. **February 2014 Investment Account**

**M/S/C/(Porter/Balls)** That the Board of Directors approved the Consent Calendar by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter, Neely; Nays – 0; Absent – 0; Abstain – 0)

**CONTROLLER’S REPORT**

Controller DeAnn Hailey reviewed the following financial reports:

**a. Progress Report on 2013 Audit**

The auditors were at the District office during the last week of February to perform their on-site testing and the questioning of staff, management, and a board member. The audited financial statements are now being prepared for review and are expected to be brought before the Board during the April Board Meeting. Ms. Hailey will be scheduling a Finance Committee meeting to review the auditor’s report prior to the April Board Meeting.

**b. Presentation by Michael Kronbetter, Investment Banker, Wells Fargo Bank**

Mr. Michael Kronbetter presented an investment analysis of the District up to February 28, 2014. Mr. Kronbetter provided handouts covering *Economic and Market Update* and *Portfolio Analytics*. Mr. Kronbetter has been working with the District for the past seven years.

**c. Report on Bond Payments and Credit for Interest Earned**

Ms. Hailey provided copies of the District’s Investment Guidelines (Policy 130-507) and three billing statements from Wells Fargo Bank. By being able to extend investing from one-year intervals to five-year intervals (Policy 130-507 revised February 12, 2013, by the Board of Directors), the District increased its credit towards their bond payments from under \$70.00 to over \$10,000 which represents six-months worth of interest.

**d. Resolution 2014-03 – To Add and Remove Signatories on Banking Accounts**

Ms. Hailey stated that Staff request approval from the Board to have Bill Stretch’s name added as a signatory on the District’s banking accounts and Laurence Kimura’s name be removed.

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Director Beberian inquired about internal controls of the fund accounts. Ms. Hailey detailed the procedures that Staff follows that reduce the chance of misconduct. Ms. Hailey also noted that as another form of oversight, the auditors review the District's bank statements.

**M/S/C/(Neely/Balls)** That the Board of Directors approved Resolution 2014-03 by the following roll call vote. (Ayes – Beberian, Balls, Jacobsen, Porter, Neely; Nays – 0; Absent – 0; Abstain – 0)

**e. Actuary Report for January 1, 2014**

Ms. Hailey reported on the GASB 45 Valuation as of January 1, 2014; the report was very positive. The actuarial report is required by Other Post Employment Benefits (OPEB) every three years. The *Present Value of Future Benefits; Accrued Liability; and Adjustments to ARC* reports have all shown a significant drop in the District's liability over the past three years, creating a healthier financial condition for the District.

**M/S/C/(Porter/Balls)** That the Board of Directors approved the actuarial report done by Demsey Filliger + Associates by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter, Neely; Nays – 0; Absent – 0; Abstain – 0)

**f. Lease Agreement for 3031 W Nielson Property**

The District leases the Nielson property to the Pancho Villa Riders (PVR) on a yearly basis. The PVR would like to continue their lease for another year at the current rate with an option to extend the lease for one additional year at a slightly higher rate. The PVR are very good tenants and have performed clean-up and some upgrades to the property/building at their own cost while leasing the facility.

**M/S/C/(Porter/Balls)** That the Board of Directors approved the new Lease with Pancho Villa Riders for one year at the current rate with an option to renew for one additional year by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter, Neely; Nays – 0; Absent – 0; Abstain – 0)

**WATER REPORT**

**a. Current Water Conditions Report**

Mr. Serrato reported on the current and projected water supply information. As of March 17, Pine Flat release was 152 cfs with storage at 207,166 acre-feet. The pre-project for the Kings River is at 665 cfs with FID's entitlement of 296 cfs. Precipitation is at 40.3% of normal. It was reported at the most recent KRWA meeting that the snowpack has already started to melt at the lower elevations. It was also reported that more water will be used during the start of deliveries due to evaporation and the extremely dry soil conditions.

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Currently, Staff anticipates being able to deliver water for one month. Historically the water is generally delivered in the month of July; however, Staff will not be making a recommendation until May's Board Of Directors meeting.

Director Neely asked about using the banking facility water to back-stop the Temperature Control Pool (TCP) deficit. Mr. Serrato stated this could be a possibility.

**b. Reclaim Water Deliveries**

Staff is recommending that the Board approve the start of reclaim water retroactive to March 1 at the same cost as was offered in the Fall of 2013.

**M/S/C/(Porter/Balls)** That the Board of Directors approved the sale of reclaim water retroactive to March 1 at the same cost as Fall 2013 by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter, Neely; Nays – 0; Absent – 0; Abstain – 0)

**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:

Mr. Stretch introduced Adam Claes as the District's newest staff engineer. Prior to coming to Fresno Irrigation District, Mr. Claes worked for Provost & Pritchard Consulting.

Mr. Stretch provided a PowerPoint slide presentation that accompanied his report.

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

**Developer Projects** –there are no Developer projects occurring at this time. Three projects have been completed since April 1. The Engineering Staff is reviewing several plans for projects that will take place during the 2014/2015 Maintenance Season.

**Agency Projects** – there are no Agency projects taking place at this time. Two projects have been completed since April 1. The Engineering Staff is reviewing several plans for projects that will take place during the 2014/2015 Maintenance Season.

**Utility Crossings**

**City of Fresno Improvements** – the installation of sewer, storm drains, and water mains crossing FID canals near Marks and Nielsen avenues is continuing with the boring under Dry Creek and Houghton canals. During the City's installation, a portion of the Fanning Canal culvert pipe was damaged. FID crews are working with the City to repair the pipe on Nielsen Avenue.

**Sebastian/Kertel** – the installation of fiber optic utilities under a number of FID canals is almost complete with only two borings left to finish.

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**California High Speed Rail Update (CHSR)**

Staff has not had much contact with the HSR staff recently. Legal issues challenging the project are causing it to proceed at a slower pace than planned. The Fresno-Bakersfield Environmental Impact Report is anticipated to be approved by CHSRA and released to the public in the Spring of 2014. It is anticipated that the Dry Creek Canal will be the first canal to be impacted. Nine parcels in downtown Fresno have been condemned by adoption of resolutions by the California Public Works Board on March 14, 2014.

On March 12, 2014, the State Water Resources Control Board approved the 401 certification permit. The Department of Fish and Wildlife claimed jurisdiction to the Dry Creek and Herndon canals. Mr. Serrato reported that this could mean that in the future, FID would be required to obtain permits anytime that maintenance, spraying, or dredging is done on these canals. Mr. Serrato plans to meet with the regional director of the CHSR to further discuss the Herndon status; FID is not contesting the Dry Creek jurisdiction.

**b. Landowner Initiated Projects Update for 2013-14**

A draft of the revised criteria for Policy No. 108 will be brought to the Board within the next several months. Two or three landowners have called inquiring about FID's policies and costs; the Engineering Staff provided the landowners with rough estimates of costs.

**c. FID Projects Update for 2013-14**

- **Waldron Recovery Well #104: Equipping** – PG&E has provided power to the site and the well was test started. A few punch list items still need to be completed.

**Capital Improvement Projects**

- **The Waldron Lambrecht Banking Facility / Cell #4** – a new interior levee to eliminate seepage is being constructed on the south levee; completion is expected by the end of the week;
- **Martin Canal** – approximately 700 feet of 20 inch mortar joint pipeline is being replaced with 21 inch PVC pipe at N/W Shields and Rolinda;
- **Fairview Canal** – 1,650 feet of 20 inch mortar joint pipeline was replaced with 21 inch PVC pipe. Crews took special caution due to the number of abandoned utility lines, landowner improvements, driveways, and county roads. Crews moved slowly but steadily through the project; and
- **Pursell Pond Expansion** – the Washington Colony North Branch canal is being realigned and replaced with 30-inch PVC pipe at S/W Jefferson and Cedar avenues. Crews have completed the pipe installation and are working on backfilling it.

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**d. General Maintenance Update for 2013-14**

- Crews removed a tree along the Houghton Canal that had caught on fire – presumably by a homeless camp. Crews are removing additional trees along the banks to avoid this situation from happening in the future;
- Crews cleaned out a culvert of debris using a box scraper at Nielsen and Brawley;
- Heavy equipment operators performed grading work at Nielsen and Bishop (Waldron) and sloping work at Nielsen and Brawley;
- Three to four homeless camps have appeared over the last couple of weeks – crews went in and cleaned up the areas;
- Repair crews worked on structure, gate, and pipeline repairs;
- The District has been experiencing a rash of thefts of gate valves and parts. Over the last year 30 sites have been vandalized. Crew are taking anti-theft measures to help reduce the amount vandalism; and
- Spray tractor and truck operators have been spraying as weather permits.

**Break**

A short break was taken from 6:45 – 7:03 p.m. during which time no District business was discussed.

**e. Report of USCID’s Conference in Sacramento – Information Item 2014-02**

Mr. Claes thanked the Board for allowing him to attend the USCID’s Conference. The networking benefit of the conference was especially helpful. Attendees from both inside and outside of California shared the issues they face and solutions they came up with. Provost & Pritchard Consulting presented FID’s groundwater projects during the Conference. This seminar sparked the most interest and questions of any of the sessions.

**f. Update on the City of Clovis’ Terminus Park Located Southwest of Shepherd and Sunnyside Avenues**

The District and the City of Clovis closed escrow on the Shepherd and Sunnyside property on February 27, 2014. Funds from the sale have been put into an escrow account which will be used to purchase an exchange property by the City of Clovis for the District. As part of the agreement, the City of Clovis is to locate comparable property in exchange for the Sunnyside/Shepherd property. Several parcels within a two and half mile area of the original property have been identified as possible sites. The City has until June 30 to finalize the exchange. The City of Clovis plans on turning Shepherd/Sunnyside property into a terminus park. The purpose of the park is to provide parking and access into the existing trailway. Construction of the park is expected to start on April 1.

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**ASSISTANT GENERAL MANAGER'S REPORT**

Assistant General Manager Laurence Kimura reported on the following:

**a. District Office Plan**

Phase C of the office project continues. Mr. Kimura offered slides to supplement his report. The front of the Annex Building, the irrigation system, planting of the trees/shrubs/sod, and the concrete sign board have been completed. The landscaping crew continues to work on the punchlist items. The light poles for the parking lot have arrived and are being installed and wired.

**b. Aquatic Pesticides**

Mr. Kimura has been working to implement the Aquatic Pesticide Application Plan (APAP) for use of aquatic pesticides. Mr. Kimura has also been working to obtain a State Implementation Policy (SIP) exception to use copper and acrolein to control aquatic vegetation. The State must still approve the SIP exception.

**c. Gould Canal – Friant/Kern Canal**

Staff has been working with the Bureau of Reclamation (USBR) to construct a temporary pumping plant at the head of the Gould Canal. The NEPA comment period closes this week. The USBR needed to know what was going to be “disturbed”; Staff was able to outline the project and satisfy the USBR’s concerns. The District has filed a notice of exemption under CEPA.

Mr. Serrato mentioned that the District received a waiver for one year from the San Joaquin Valley Air Pollution Control Board for the diesel engines that will be temporarily used for pumping until electricity can be established at the site. Mr. Serrato also discussed with the Bureau the coordination of the upcoming water deliveries to small disadvantaged communities.

**MANAGER'S REPORT**

General Manager Gary Serrato reported on the following:

**KINGS RIVER WATER ASSOCIATION**

Staff continues to track conditions and to determine the best recommendation to present to the Board on the start and length of the water season. Staff will keep the Board up-to-date as information becomes available.

**FRIANT WATER AUTHORITY**

**Bureau Declaration**

During a Bureau of Reclamation meeting it was announced that Class 1 and Class II Friant contractors will not receive any water (0% allocation). The Bureau also

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announced a 40% allocation for the Exchange Contractors. In response, the Exchange Contractors have filed suit stating that they have “Senior Water Rights” on the San Joaquin River and should be allocated all water developed from the river first until they attain a 75% allocation.

**Washington DC Trip**

Mr. Serrato traveled to Washington DC as part of a Friant Water Authority sponsored trip. While there, Mr. Serrato and others met with a number of valley congressmen and Senators Feinstein and Boxer. Discussions included the Delta, water allocations to the Central Valley, and senior water rights on the San Joaquin River.

**OTHER**

**Regional Meeting on Groundwater**

On March 20, 2014, the California Farm Water Coalition will be holding a meeting hosted by Fresno Irrigation District. Topics will be on the “Future of Groundwater Management” and “What to Expect from Coming Groundwater Regulations”.

Chris Kapheim from Alta Irrigation District is strongly pushing to have a State appointed watermaster for groundwater to oversee the region’s groundwater management practices. KRWA is actively opposing this appointment. Members of the Upper Kings area believe that we have been doing a good job of managing our own groundwater conditions.

**Growers Meetings**

Mr. Serrato announced there will be a growers meeting held in Kerman on March 25 at the Community Center and a growers meeting in Easton on March 27 at the Net Grill. Mr. Serrato will update the growers on this year’s outlook. There will also be a representative from the Kings River Water Quality Coalition to discuss the ag-waiver discharge legislation and sign-ups will be taken to join the coalition.

**Waterways Newsletter**

The District’s Waterways Newsletter is at the printers and will be mailed shortly. The growers meetings were listed with the dates/times/locations of each meeting. Staff is also calling area growers to inform them of these upcoming events.

**Bankside Trails**

Fresno Mayor Ashley Swearingen asked Mr. Serrato to attend a group discussion on the creation of walking trails along canals. Mr. Serrato reminded them that an agreement had been developed during a previous attempt to create the trails but the City and FID were not able to come to an understanding. Liability, title, and maintenance are some of the issues that need to be worked out.

**California Partnership for the San Joaquin Valley**

Mr. Serrato will be attending his first meeting of the California Partnership on Friday, March 21, in Merced, California.



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**Water Sales**

Mr. Serrato has been approached by other agencies on purchasing water from FID. Mr. Serrato requested direction from the Board on how they want to proceed. The Board directed Mr. Serrato to continue to talk to other agencies and see what they are willing to offer and to bring the information back to the Board for discussion and a decision. The majority of the Board agreed that the banking facilities were designed to contain additional water from wet years and sell that water during dry years. Mr. Serrato stated that any sale from the banking facilities would not affect water deliveries to FID landowner.

**M/S/C/(Neely/Porter)** That the Board of Directors directed Mr. Serrato to continue to talk to other agencies regarding water sales by the following vote. (Ayes – Balls, Jacobsen, Porter, Neely; Nays – Beberian; Absent – 0; Abstain – 0)

**ADMINISTRATIVE MATTERS**

There were no Administrative Matters to discuss.

**DIRECTORS' REPORT**

**Director Beberian** – none.

**Director Balls** – listened to a CSDA sponsored webinar addressing board litigation issues. Director Balls stated that if the board acts collectively then no personal liability can be pursued. However, this does not apply to a sexual harassment suit.

**Director Jacobsen** – thanked Director Neely for completing two years as president of KRWA. Directors Porter and Jacobsen will be out at the Fresno Fair Grounds for farm nutrition day for school-aged children.

**Director Porter** – attended a Waldron Advisory Committee meeting and thought it went very well.

**Director Neely** – gave his letter of resignation to President Jacobsen, citing other commitments that do not allow him to continue on the Board. Director Neely stated he has really enjoyed his time as a Director. President Jacobsen accepted his resignation.

Open Session concluded at 8:20 p.m.

**CLOSED SESSION**

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

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**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.

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

**CLOSED SESSION ADJOURNMENT**

President Jacobsen adjourned Closed Session at 8:45 p.m.

**REPORT OF ACTION TAKEN IN CLOSED SESSION**

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

**ADJOURNMENT**

President Jacobsen adjourned the meeting at 8:46 p.m.

Submitted By,

Gary R. Serrato  
Secretary of the Board