

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD AUGUST 19, 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 August 19, 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
George Porter
Gregory Beberian

DIRECTORS ABSENT

Jerry Prieto, Jr.

STAFF PRESENT

General Manager Gary Serrato
Assistant General Manager Bill Stretch
Chief Engineer – Special Projects Laurence Kimura
Watermaster Jim Irwin
Controller DeAnn Hailey
Director of Human Resources September Singh
Staff Engineer Adam Claes
Recording Secretary Lynn B. Rowe

OTHERS PRESENT

FID Legal Counsel Gary Sawyers (left at 5:35 p.m.)
Representative from the Kings River Conservation District Dr. David Cehrs

REVIEW AGENDA

Mr. Serrato stated that the agenda is correct with the minor change of Dr. Cehrs presentation (item 8 c.) being given immediately following Closed Session.

REVIEW OF FUTURE MEETINGS

There are no changes to the future meetings at this time.

PUBLIC PRESENTATIONS

None given.

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.

Board President Jacobsen announced that Director Prieto is absent from the meeting.

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The Board went into Closed Session at 5:03 p.m.

CLOSED SESSION

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

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.

Conference with Legal Counsel-Potential Litigation (Government Code Section 54956.9(b)). Conference with Legal Counsel – Potential Litigation (G.C. §54956.9(a)):

Environmental Legal Foundation vs. Fresno Irrigation District.

Conference with Legal Counsel – Anticipated Litigation (Government Code Sections 54956.9(a), 54956.9(b) and 54956.9(d)(2)).

The Board will meet in Closed Session to confer with counsel on potential litigation to condemn certain real property owned by Denver Church for a proposed recharge basin project. Despite numerous efforts to reach and negotiate with Mr. Church and his counsel, neither the landowner nor his lawyer will speak with the District. As a result, the Board will be asked to consider initiation of eminent domain proceedings for certain property owned by Mr. Church so that the project is not delayed. Prior to adjourning to Closed Session, the facts and circumstances that may create a significant exposure to litigation by or against the District will be described in more detail, and the Board will determine whether, based on existing facts and circumstances, that exposure exists.

CLOSED SESSION ADJOURNMENT

President Jacobsen adjourned Closed Session at 5:34 p.m.

REPORT OF ACTION TAKEN IN CLOSED SESSION

Legal Counsel Gary Sawyers reported that during Closed Session, the Board gave direction to Staff and legal counsel to advise the attorney for Denver Church that the District may explore the possibility of commendation proceedings on the property owned by Mr. Church for the purposes of inclusion into a groundwater recharge project.

CONSENT CALENDAR

- a. **Approval of Regular Board Meeting Minutes – July 15, 2014**
- c. **July 2014 Payroll Registers**

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- d. **July 2014 Unpaid Assessment Report**
- e. **July 2014 Investment Account**

Director Beberian requested to have item 6 b. removed from the Consent Calendar for further discussion.

M/S/C/(Porter/Balls) That the Board of Directors approved the Consent Calendar with the exception of item 6 b. by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

WATER REPORT

- c. **Groundwater Presentation (Dr. David Cehrs)**

Mr. Serrato introduced Dr. Cehrs to the Board and stated that the presentation being given at this meeting has previously been shown to the Upper Kings River Water Forum and the Kings River Conservation District. Dr. Cehrs presented a number of slides that represented the impacts to the groundwater within the Fresno Irrigation District. Dr. Cehrs stated reasons for the groundwater levels dropping in the area were the building of the Friant Dam (decrease of groundwater recharge from the San Joaquin River), increase in the area's population, and the decrease of agricultural lands with an increase of urban lands. Comparisons of groundwater levels in the Fresno County area over the years were shown, emphasizing the significant drop in levels. Dr. Cehrs' also indicated that lands (such as Kerman and Biola areas) that receive water for irrigated agriculture have a better groundwater table level than areas without surface water deliveries.

To help combat the decline of the water table, Dr. Cehrs' suggests reduction of water consumption in the urban areas, building of sand dams at creeks and streams to allow for more groundwater recharge, an increase in water deliveries during wet years to the agriculture areas by applying pre-irrigations and extra water on crops whenever possible.

CHIEF ENGINEERS and SPECIAL PROJECTS REPORTS

Chief Engineer – Special Projects report given by Laurence Kimura:

- c. **Groundwater Levels - Update**

Mr. Kimura reported on the latest published report (2011) as part of a joint groundwater management plan. The 2012 report is almost complete for release; 2013 is being worked on. Mr. Kimura presented displays of the District by Director Division and areas divided up by Northwest Division, Southwest Division, and the East Division. Each of the areas showed a steady decline in groundwater levels.

Dr. Cehrs also stated that the area within FID is dropping seven-tenths of a foot per year on average. Director Beberian inquired about recharge basins in and around Fresno. Recharge basins are beneficial according to Dr. Cehrs; however, the rate of

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recharge depends on the location and the soil within the basin. It is also important to maintain the basin by keeping the basin floor aerated so silt does not prevent water from percolating through the soil.

CONSENT CALENDAR continued

b. July 2014 Check Register

Director Beberian inquired about two checks in the same amount for the purchase of chemicals. Controller DeAnn Hailey explained that the checks were for two separate orders of the same chemicals and the same amounts. Ms. Hailey also gave a brief explanation on the controls and the check-and-balance system the Accounting and other departments follow so that double-payments do not occur.

M/S/C/(Porter/Balls) That the Board of Directors approved the Consent Calendar item 6 b. by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

CONTROLLER'S REPORT

Controller DeAnn Hailey reported on the following:

- a. July 2014 Fund Statements**
- b. July 2014 Notes to the Fund Statements**
- c. June and July 2014 Treasurer's Reports**
- d. June and July 2014 Deposits and Investments**

Ms. Hailey presented the financial reports for June and July 2014. The end of the July budget should be in the range of 58%. It was reported that the District is within budget. Cost for the upcoming November election will be significantly decreased since the three Directors up for re-election will be running unopposed. Temporary salaries are running over budget due to full time positions being filled by temporary workers. Utility expenses are at 53% and Operating expenses are at 48%. Overall, the General Fund is at 51%.

M/S/C/(Porter/Balls) That the Board of Directors approved the financial reports as presented by Staff by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

WATER REPORT continued

a. Current Water Conditions Report

Mr. Irwin reported on the current / projected water supply and the routing information. As of August 18, Pine Flat release was 910 cfs with storage at 115,979 acre-feet. FID's storage in Pine Flat is currently 26,678 acre-feet. Pre-Project for the Kings River is 252 cfs; Fresno Irrigation District's entitlement is 198 cfs. Mr. Irwin stated all of the KRWA districts have stopped running with the exception of the Peoples Ditch Company. Kings

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River Water District is expected to cover the fishery flows for month of September, provided they have enough water. To date, restoration flows have been returned to Friant-Kern in the amount of 8,334 acre-feet. FID expects to complete the return of the restoration flows by the end of January.

Mr. Serrato stated this was the sixth driest year in recorded history. Runoff through July was 405,000 acre-feet. FID was able to benefit from the additional runoff from the recent storms in the Sierras. The District received approximately 50% of the entitlement.

b. Extension of Hardship Water Deliveries

Mr. Serrato stated that due to the storms in the higher elevations, Staff recommends continuing the Hardship Water run through September at the same cost as in August. Staff believes it will take 2,500 – 3,000 acre-feet to extend the run through the month of September.

Mr. Serrato presented a copy of an email that was sent to Staff by Director Prieto, requesting the extension of the Hardship Water be distributed to the Board; the email was provided to the attending Directors and Staff.

M/S/C/(Porter/Balls) That the Board of Directors approved the extension of Hardship Water deliveries through the month of September at the same cost as in August by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

CHIEF ENGINEERS and SPECIAL PROJECTS REPORTS continued

Chief Engineer – Special Projects report given by Laurence Kimura:

a. Developer Projects 2014-15

The Engineering Department continues to review plans of several projects that will be constructed during the 2014-15 Maintenance Season. Staff has responded to ten Developer Review Notices and six Utility Search Requests. There are no projects occurring at this time; however, there are a couple of projects in Clovis getting ready to start.

b. Agency Projects 2014-15

The Engineering Department continues to review plans of several projects that will be constructed during the 2014-15 Maintenance Season. There are no projects under construction at this time. The Fresno Metropolitan Flood Control District's construction of the Dry Creek Extension Basin will start up again in 2015.

Agency / Utility Crossings

There are numerous utility (cable, fiber optics, storm drains, sewer, etc.) crossings that bore under various FID facilities. Staff anticipates these projects to resume in October.

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i. California High Speed Rail Update (CHSR)

The California Department of Fish and Wildlife recently agreed to provide a letter stating the permit issued to the CHSRA will not be used as evidence in future jurisdictional issues on the Herndon Canal against FID. Staff met with TPZP and CHSRA at the end of July to discuss concerns on the Herndon Canal crossing design. Currently, the design is hindered due to the lack of an agreement between the Union Pacific Railroad and CHSRA. It is anticipated that a master agreement will be signed in the Fall/Winter of 2014 and will encompass most of the CHSR alignment statewide. In late July the Fresno County Board of Supervisors voted to rescind their support for the project by a vote of 3-2.

c. Landowner Initiated Projects Update for 2014-15

Staff continues to work on project plans for at least four growers who want to convert from flood irrigation to low-flow irrigation. Currently there are no projects in progress. The District has received the initial deposit from George Weis for the Lampee W. Br. Canal. The survey, agreement, and engineering portion of the project are underway. The private bridge projects by Dennis Haupt and Gary Christian on the Thompson Canal will start at the end of September following their harvests.

d. Other Activities

- Monthly surface water samples for water quality testing are being taken from seven to eight locations;
- Groundwater levels are being measured and samples are being taken for the banking facility monitoring plan. Approximately 90 measurements per month are taken;
- Cost estimates on projects are being developed for the upcoming maintenance season; and
- Staff reviewed and commented on the Draft Environmental Impact Report for the City of Clovis' General Plan and Development Code update. Comments were directed towards water supply impact, trails, and facilities impacts.

Director Beberian inquired on whether the groundwater level information could be placed on the District's website. Staff responded they will check into posting the report. President Jacobsen suggested waiting to post the report until the final version is completed.

f. Goodrich No. 9, Landowner Pipeline Project, Paul Khasigian, Request to Pipeline a Portion of Open Canal Located East of Peach Avenue Along Muscat Avenue Alignment. Action Request No. 2014-07

Mr. Serrato recused himself (for personal reasons and left the room) from participating in or listening to the discussion of piping a portion of the Goodrich No. 9. Staff Engineer Adam Claes presented Action Request 2014-07 to the Board. Mr. Paul Khasigian

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approached Staff on the possibility of realigning and piping a small section (500 feet) of the Goodrich No. 9 Canal with 27-inch PIP 100 PVC near Peach and Malaga avenues. This is one of the last sections of open channel on the tailend of the Goodrich system. Mr. Khasigian has removed his plum orchard and is preparing to plant either table grapes or almonds on his property in the late winter 2014 or early spring 2015. The project would provide several benefits to the District including: reduction of maintenance cost, reduction of herbicides applications, reclaim right-of-way, leveling of the road, and reduced chances for canal breeches. The District and landowner will share equally in the cost (\$26,000 from each party) if the District constructs the project. A \$5,000 deposit will be required from Mr. Khasigian by the middle of September before Staff completes the surveying-engineering-legal work on the project. The final payment from Mr. Khasigian is due by the middle of October; prior to the ordering of any construction materials or starting of the project.

After a discussion regarding the Goodrich No. 9 pipeline project and the Landowner Initiated Project Policy (Policy 200-108) among the Directors and Staff, the Board decided to approve the project.

M/S/C/(Porter/Balls) That the Board of Directors approved the joint project with Mr. Khasigian to realign and pipe approximately 500 feet of open canal with 27-inch PIP 100 PSI PVE pipe at a 50% cost share factor by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

Break

A break was taken from 6:58 to 7:16 p.m. - during which time no District business was discussed or acted upon among the Board Members.

ASSISTANT GENERAL MANAGER'S REPORT

Assistant General Manager Bill Stretch reported on the following:

a. Maintenance and Construction Update

- The majority of the Water System Operators (WSO) have transitioned back to their maintenance crews with a few remaining WSOs continuing with the Hardship Water and Reclaim Water runs; and
- General maintenance tasks are being performed as outlined in the Assistant General Manager Bill Stretch's Board Packet report.

b. Southwest Groundwater Banking Project Update

Staff's time is being taken up with the coordination of the Department of Water Resources and the US Bureau of Reclamation, grants, schedules, and budgets. Staff is very close to opening escrow on a property with one of the area's landowners.

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c. Sunnyside/Shepherd Terminus Park Update

Mr. Stretch reported that FID and the City of Clovis have narrowed down the parcel designated as the exchange property for the Sunnyside and Shepherd land that the City of Clovis acquired for building their Terminus Park. The park portion of Clovis' project is running a little behind schedule with completion expected in October 2014.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

KINGS RIVER WATER ASSOCIATION

The KRWA Watermaster announced that the State Water Resources Control Board will be implementing an eight percent increase in water rights fees for the next three years. This will amount to a 24% increase.

Water in the Pine Flat reservoir is two – two and a half degrees warmer than normal for this time of year. Water temperatures range from 17 Celsius to 27 Celsius in the reservoir. KRWA is mixing the lower and upper level water together by using the lower level flume gates and turbine bypass to bring down the overall temperature. The KRCD Power Plant is in the process of going off line.

SJV Water Coalition

The Kings River Watershed Coalition Authority has entered into a Memorandum of Understanding with the other coalitions (Kern, Kaweah, Deer Creek, and Tule River Authority) to coordinate efforts in a partnership to implement the irrigated lands regulatory program.

Crescent – Stinson Irrigation District / FID Agreement

Mr. Serrato informed the Board that an agreement between FID and Crescent – Stinson Irrigation District had been reached where they will backstop 2,000 acre-feet of water. The 2,000 acre-feet of water will be returned to them this year plus an additional 1,000 acre-feet when a hydrological year is above 75%.

FRIANT WATER AUTHORITY

Exchange Contractors

The Exchange Contractors will be taking water out of the San Joaquin River through the remainder of the year. It is projected that 65,000 acre-feet will come out of the river during the month of August.

A small group of Friant Contractors are meeting with the Bureau of Reclamation to voice their concerns that the Exchange Contractors agreement is not being interpreted and administered correctly. The meeting will be held at the regional office in Sacramento.

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Friant has a concern that the Bureau of Reclamation may be withholding water for use to meet health and safety water issues for some of the smaller San Joaquin Valley communities on the east side of Fresno County. Friant's position is that the Friant Contract is for Class I and Class II water and makes no concession for health and safety issues and that the water should have been allocated for use by the Friant Contractors.

Membership

Arvin-Edison Water Storage District submitted their notice of possible withdrawal from the FWA unless a strategic plan is developed, discussed, and implemented by the end of the year. If Arvin-Edison was to leave, it would increase the remaining members' dues by 10%. Delano-Earilmart also submitted their letter of withdrawal. Delano-Earilmart has made the suggestion that the FWA adopt the budget on a monthly instead of a yearly basis.

OTHER

H.R. 3964 (Valadao) S. 2198 (Feinstein) Bills

Mr. Serrato spoke with Congressman Valadao who stated that he was not very optimistic there would be a bill this year that would help the San Joaquin Valley. Mr. Serrato also participated in a telephone roundtable initiated by Congressman Valadao. Selected individuals from across the Valley participated.

California Water Bond

The California State Legislators and the Governor reached a compromise on August 13 and developed a new "Water Bond". The new bond has been reduced from \$11.1 billion to \$7.545 billion. Key items for the Central Valley included in the new bond are:

- \$2.7 Billion for Storage;
- \$800 Million for Integrated Regional Water Management Grants;
- \$700 Million for Water Recycling; and
- \$520 Million for Safe Drinking Water.

The bond is slated to be on the November 2014 general election ballot.

At the last minute \$100 million was allocated for a cross-valley canal between Fresno County and Kings County that will allow recaptured Friant water in the Delta to be brought back to the east side.

City of Fresno

Mr. Serrato continues to meet with the City of Fresno's new Public Utilities Director Thomas Esqueada to discuss and review the Conveyance Agreement. Mr. Serrato stated that he was very encouraged by the progress.

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Groundwater Legislation

Mr. Serrato provided the Board a letter written by KRCD and KRWA regarding SB 1168 and AB 1739 and stated we are continuing to track this legislation. The KRWA Legislative Committee took a position on the bills of opposed unless amended.

Director Beberian asked how long the pumps on the Gould Canal would remain at the Headgates. Mr. Serrato estimated it would be until the first part of February.

ADMINISTRATIVE MATTERS

a. Healthcare Update (walk in)

Ms. Singh provided copies of spreadsheets on cost comparisons between 2014 and 2015 on the health benefit coverage.

b. JPIA Inspection Update (walk in)

FID received a letter following the JPIA inspection conducted in early July that stated there were no new recommendations.

DIRECTORS' REPORT

Director Beberian – none.

Director Balls – none.

Director Jacobsen – none.

Director Porter – received positive feedback on shutting down the banking facility pumps.

Director Prieto – absent.

Open Session concluded at 7:54 p.m.

ADJOURNMENT

President Jacobsen adjourned the meeting at 7:54 p.m.

Submitted By,

Gary R. Serrato
Secretary of the Board