

**FRESNO IRRIGATION DISTRICT  
MINUTES OF THE SPECIAL MEETING  
HELD DECEMBER 16, 2014**

Fresno Irrigation District's Board of Directors met in special session at the District office located at 2907 South Maple Avenue – Fresno, California, on December 16, 2014. Meeting was called to order at 4:02 p.m. by Board President Ryan Jacobsen.

**DIRECTORS PRESENT**

President Ryan Jacobsen  
Vice President Steven Balls  
George Porter  
Gregory Beberian  
Jerry Prieto, Jr.

**DIRECTORS ABSENT**

None

**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's Legal Council Gary Sawyers  
Provost & Pritchard Consulting Group Representative Ron Samuelian  
Provost & Pritchard Consulting Group Representative Kevin Johansen  
Granville Homes Representative Jeremy Mehling

**REVIEW AGENDA**

There were no changes / additions to the agenda.

**MANAGERS' AND ENGINEER'S REPORT**

- a. Discuss Draft USBR Ag Water Management Plan and SBX 7-7 Supplement and Submittal of Reports to Both the Bureau of Reclamation and the Department of Water Resources (Action Item)**

Assistant General Manager Bill Stretch started by giving the background of the agricultural water management legislation and the preparation that Staff and consultants put into the United States Bureau of Reclamation (USBR) Water Management Plan (WMP) and the SBx7-7 Supplement Report. Staff will request from the Board authorization to move forward with submitting both reports to the USBR by December 31, 2014.

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The Special Meeting is designed to:

- Review highlights of the Draft USBR WMP;
- Review highlights of draft SBx 7-7 Supplement Report;
- Review timeline for reporting and implementation; and
- Address all questions from the Board.

**USBR Water Management Plan**

- USBR requires all CVP contractors (even Class II) to prepare a WMP and has done so for many years;
- An updated WMP must be submitted every five years;
- FID has been submitting the WMP since 1986;
- Must also submit annual update reports;
- FID's most recent WMP was prepared in 2007 and accepted by the USBR in December 2008; and
- FID's last annual update report was for 2012, submitted in 2013.

**SBx 7-7 Requirements**

- SBx 7-7 requires all districts (25,000 acres or larger) to submit an agricultural WMP;
- CVP contractors may submit their USBR WMP along with additional documentation required by the State documenting that the district will:
  - Measure the volume of water delivered to customers;
  - Adopt pricing structure based at least in part on volume delivered;
  - Implement 14 Efficient Water Management Practices (EWMPs) if feasible and cost-effective;
- By July 31, 2012, implement EWMPs;
- Ag WMP prepared by December 31, 2012;
  - USBR plan acceptable with supplemental information to Department of Water Resources (DWR) (State)
- Update WMP by December 31, 2015, and every five years thereafter; and
- The USBR and the State processes are a little different but they overlap.

**The USBR WMP Requirements**

- USBR establishes criteria for what must be addressed in the WMP;
- USBR currently uses the 2011 Standard Criteria. The WMP must describe:
  - History and description of district
  - District facilities
  - Crops and irrigation methods
  - Water supply
  - Water demand
  - Best Management Practices (BMP) – both critical and exemptible (BMPs are very similar to State EWMPs)
  - Annual budgets for BMPs

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**USBR WMP Requirements – Critical BMPs**

- BMPs designated as critical by USBR:
  - A1 – Measure the volume of water delivered to +/- 6% accuracy
  - A2 – Designate a water conservation coordinator
  - A3 – Provide or support water management services such as on-farm system evaluations, crop ET info, newsletters, etc.
  - A4 – Pricing structure based in part on quantity delivered (FID does bill CVP water delivered to annexed areas volumetrically)
  - A5 – Evaluate and improve the efficiencies of District pumps

**USBR WMP Requirements – Exemptible BMPs**

- BMPs designated as exemptible by USBR (and FID status):
  - B1 – Facilitate alternative land use / not applicable
  - B2 – Facilitate use of recycled urban wastewater / implemented
  - B3 – Financing improvements for on-farm systems / information provided
  - B4 – Incentive pricing / partially implemented
  - B5 – Line - pipe canals - construct reservoirs / on-going implementation
  - B6 – Increase flexibility in ordering and delivery / on-going implementation
  - B7 – Construct - operate spill recovery systems / implemented
  - B8 – Plan to measure outflow / implemented
  - B9 – Optimize conjunctive use / implemented
  - B10 – Automate system structures / implemented/on-going
  - B11 – Facilitate customer pump testing / information provided
  - B12 – Mapping, maintain, and update GIS / on-going implementation

**SBx 7-7 Measurement Requirements**

- Measurement must be made at change in point of control (generally farm-gate turnout);
- Measurement requirements:
  - Existing device must be certified to be 12% +/- accurate by volume
  - New measurement installations must be 5% +/- (lab certified device, i.e. propeller meter) or 10% +/- (field certified device, i.e., metergate)
- District does not have the ability to measure water to all of its customers at the higher level as required by SBx 7-7, and does not currently invoice most growers volumetrically.

**SBx 7-7 Supplement Report – What Commitments Are Made?**

- Installing measurement devices at every “delivery measurement point” as -- required by SBX 7-7 and billing water users volumetrically over a ten year implementation period;
  - FID has approximately 4,093 customer delivery points which under strict interpretation of SBx 7-7 would all need to be measured
  - SBx 7-7 allows for private laterals to be measured at the head of the lateral if the District does not have legal access to the private facilities
  - Only 61 locations are currently measured to the accuracy required
- Only measure at the head of “one-headed” laterals rather than at every turnout on that lateral; and

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- It is not economical to measure water delivered to parcels less than five acres since delivery volume is small.
- Number of proposed “delivery measurement points”:
  - Total number of turnouts (including private lateral headgates) 4,093
  - Less turnouts already measured (61)
  - Plus District owned “one-headed” laterals 40
  - Less turnouts on “one-headed” laterals (335)
  - Total (including parcels <five acres) 3,737

Note: the total number of delivery points to be measured will be less than that noted above since turnouts serving parcels <five acres will not be measured
- District Staff is in the process of determining how many parcels less than five acres receives District water; and
- The above given information may be subject to revision, State may not accept measurement at the head of “one-headed” lateral argument or “not economically feasible to measure parcels less than five acres” argument.

**SBx 7-7: Proposed Measuring Devices and Funding**

- The type of measurement device to be used is not specified, although desired traits are included in the report;
- The exact method of funding is not specified, although proposed to be a cost share between the District and the landowners:
  - Landowner to directly pay the majority of the capital costs to modify turnout to accept water measurement device
  - FID to purchase and install the measurement device after landowner makes improvements, likely funded by District through bonds or annual water sales; and
- A Proposition 218 election will need to be passed to revise assessments and institute a water toll charge to fund capital costs as well as on-going O&M – this plan is contingent on a Proposition 218 election passing.

**Proposed Budget**

- Water measurement – District expenses could be \$10 to 15 million to purchase and install measurement devices over a ten-year period;
- Direct costs paid by landowners could be three to four times that much;
- Volume-based Pricing:
  - Proposition 218 Engineer’s Report will determine volumetric charges
  - FID will not initiate volume-based pricing until sufficient quantity of turnouts have measurement devices
  - The number of turnouts billed volumetrically will gradually increase each year with full implementation after the ten-year installation period; and
- Future FID budgets will address increased Staff and on-going O&M costs as a result of measurement program.

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**Proposed Timeline:**

- |  |               |
|--|---------------|
| ➤ Completion of measurement evaluation study                           | February 2015 |
| ➤ Board of Directors select preferred device & sharing of costs        | April 2015    |
| ➤ Prepare Proposition 218 Engineer's Report analyzing costs & benefits | June 2015     |
| ➤ Board of Directors select proposed rate structure                    | July 2015     |
| ➤ Conduct public hearing to present findings                           | August 2015   |
| ➤ Conduct Proposition 218 election to authorize measurement program    | October 2015  |
| ➤ Prepare standard installation details and assemble contractor list   | December 2015 |
| ➤ Authorize bond sale for purchase of measurement devices              | 2016          |
| ➤ Develop method to apportion upstream measurements                    | 2016          |
| ➤ Purchase and install water measurement devices (ten years)           | 2016-2025     |
| ➤ Initiate volumetric pricing as devices are installed                 | 2017          |
| ➤ Volumetric pricing to entire district                                | 2024          |

Mr. Serrato stated that the proposed timeline is required to be submitted with the WMP but the Board has final determination on whether the plan is implemented. Mr. Serrato also mentioned that the volumetric charge can be passed but would not necessarily have to be implemented until needed.

Mr. Kimura summarized two options that the District can take when holding a Proposition 218 election:

Proposition 218 affects property-related fees;

**Section 4 (Assessment Requirements)**

- Applies to any levy or charge upon real property by agency for a special benefit conferred upon the real property;
- Estimated amount of special benefit (detailed engineer's report required);
- Proportionality of total cost – ballots are weighted according to proportional financial obligation of the affected property;
- Mail notices and hold a public meeting;
- Election of property owners by mail-in ballots (must be supported by 50% or more of weighted ballots);
  - Engineer's Report
    - Prepared by registered professional engineer certified by the State of California;
    - Must substantiate special benefit and proportionality;
    - Special Benefit – a particular and distinct benefit over and above general benefits;

**Section 6 (Volumetric Charges)**

- Not to exceed cost to provide service;
- Not imposed unless that service is actually used or immediately available;

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- Written notification – amount of fee/charge, basis of fees/charges, reason for fees/charges, and date, time, and location of public hearing;
- Hold public meeting (not less than 45 days after notice); and
- Reject if opposed by majority of affected property owners (un-weighted one protest per parcel).

Mr. Serrato mentioned that there may be funding available through Proposition 1 to assist with the cost of installing the measuring devices.

Director Porter inquired if the measuring devices would be standard throughout the District. Staff responded by saying the type of devices have not yet been determined but most likely will depend on location and need. The meters will be provided by the District to the landowners and will be owned by the District. Director Porter wondered if it would be better for the landowners to purchase their own meters. Mr. Serrato stated that the District wants to have control over the meters in case there are repair or maintenance issues. Staff is also considering the District owning the meter stand pipe and associated cover or lid (which will enclose the meter); this will allow District-only access to the meter. Meters will need to be sent to a certified laboratory for periodic accuracy testing.

Director Beberian inquired how measurements would occur on private laterals. Mr. Serrato stated that the landowner will need to be contacted and educated on the requirements of SBx 7-7. Director Beberian also asked if the District would have easements on the properties where the measurement devices are located. Mr. Sawyers, FID's attorney, stated that the law would most likely allow the District to enter for the purposes of repair/maintenance/meter readings.

Director Prieto inquired why more landowners were not taking advantage of "On-Farm Evaluation" of irrigated acres as outlined in the report. Mr. Stretch stated that normally Cal Poly Irrigation Training and Research Center (ITRC) performs the evaluations provided that funding is available from the Bureau and other agencies. In funded years, advance notices are given to our landowners with micro and drip irrigation systems. Director Prieto's comment was that the report reflects a non-responsive answer. Director Prieto recommends the report state the number of notifications that were sent, what type of notifications were sent, and how the District is complying with this requirement.

**Recommendations:**

Staff requested that the Board approve the submittal of the WMP and SBx 7-7 Supplement Report to the USBR and to the State; and to submit both reports to the USBR by December 31, 2014.

Director Beberian wanted clarification if the District has the authority to install meters on landowners' properties that do not want the District to install them. Legal Counsel Gary Sawyer's opinion is that the District has the legal right to place the meters on the landowners' properties as part of the operations and maintenance of the District. Director Jacobsen directed that Mr. Sawyers research any case law that may pertain to this situation and report back to the Board.

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**M/S/C/(Porter/Prieto)** That the Board of Directors approved Staff to submit the WMP and SBx7-7 Supplement Report to the USBR and to the State and to Submit both reports to the USBR by December 31, 2014 by the following vote. (Ayes – Beberian, Balls, Jacobsen, Porter; Prieto, Jr. Nays – 0; Absent – 0; Abstain – 0)

**ADJOURNMENT**

President Jacobsen adjourned the meeting at 5:06 p.m.

Submitted By,

Gary R. Serrato  
Secretary of the Board