

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD MARCH 21, 2017**

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 21, 2017. Board President Ryan Jacobsen called the meeting to order at 4:00 p.m.

DIRECTORS PRESENT

President Ryan Jacobsen
Vice President Jerry Prieto, Jr.
Director George Porter
Director Gregory Beberian
Director Christopher Woolf

DIRECTORS ABSENT

None

STAFF PRESENT

General Manager Gary R. Serrato
Assistant General Manager Bill Stretch
Chief Engineer Laurence Kimura
Watermaster Jim Irwin
Controller DeAnn Hailey
Human Resources Director September Singh
Maintenance/Construction Superintendent Mike Prestridge
Legal Counsel Jeff Boswell
Special Projects Coordinator Adam Claes
Staff Engineer Felix Vaquilar
Recording Secretary Lynn B. Rowe

OTHERS PRESENT

Provost & Pritchard Consulting Group Representative Ron Samuelian

PLEDGE OF ALLEGIANCE

Board President Jacobsen opened the meeting at 4:00 p.m. with the Pledge of Allegiance.

REVIEW AGENDA

Item 11. c. was moved to follow the Chief Engineer's Report. President Jacobsen noted that item 6. a. should be "Regular" meeting minutes and not "Special" meeting minutes but that no further act is required.

REVIEW OF FUTURE MEETINGS

No changes at this time.

PUBLIC PRESENTATIONS

None.

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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]

Director Prieto stated that at the Fresno Metropolitan Flood Control District (FMFCD) meeting scheduled for March 22 there is an action item on the agenda regarding FMFCD entering into an agreement for the rental of 1.8 acres of land from Director Prieto. Director Prieto does not feel this should cause a conflict of interest but wanted to make it public for the record.

CONSENT CALENDAR

- a. **Approval of Regular Board Meeting Minutes – February 21, 2017**
- b. **Approval of Equipment Committee Meeting Minutes – March 8, 2017**
- c. **February 2017 Check Reports**
- d. **February 2017 Payroll Registers**
- e. **February 2017 Unpaid Assessment Report**
- f. **February 2017 Investment Account**
- g. **Developer Pipeline Project – Ginder Development will Replace the Existing Radin-Kamp No. 130 Located Northeast of Herndon and Blythe Avenues with 1,150 feet of 30” RGRCP in Accordance with Board Policy. Engineering Action Request 2017-04**
- h. **Developer Pipeline Project – Woodside Homes will Substitute Approximately 770 Feet of the Jefferson No. 112 with 48” RGRCP Located Northeast of Barstow and Leonard Avenues in Accordance with Board Policy. Engineering Action Request 2017-05**

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

CONTROLLER’S REPORT

- a. **2016 Audit Update**

Ms. Hailey announced the District’s auditing firm would report their finding to the Board during April’s Board meeting.

- b. **February 2017 Deposits and Investments**

Ms. Hailey reported on the District’s deposits and investments.

- c. **SDRMA Worker’s Compensation Distribution**

Ms. Hailey stated the Special District Risk Management Authority (SDRMA) approved a longevity distribution of \$463,920 to Workers’ Compensation members. FID will receive a credit of \$4,449 towards its 2017-2018 renewal.

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d. Arbitrage Rebate Report as of December 31, 2016

Ms. Hailey reported on the arbitrage rebate calculation that is required every five years when you bond. The last calculation was performed was in 2011.

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

e. Supreme Court Decision

Ms. Hailey recapped the decision from the California Supreme Court regarding the transparency of public business records on private cell phones and devices. Staff is researching the possibility of purchasing tablets for the Board members.

f. Water Sales 2017

Staff reviewed the revenues and allocations from water sales.

M/S/C/(Porter/Prieto) That the Board of Directors approved the allocation of water sale funds as follows:

Fixed Cost of Water of \$660,000
Permanente Intertie of \$280,000
Capital Improvements Fund Jobs of \$2,000,000
General Fund 2018 Deficit of \$1,600,000

(Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

g. Committee Meeting Requests

Ms. Hailey stated she is scheduling Audit and Finance committees meetings for the first part of April.

WATERMASTER'S REPORT

a. Current Water Conditions Report

Mr. Irwin reported on the current and projected water supply and routing information. As of March 20, Pine Flat release was 8,766 cfs with storage at 660,830 acre-feet. Pre-Project for the Kings River is 5,706 cfs – FID's entitlement is 1,220 cfs. Pine Flat precipitation is currently at 169.7% (25.98 inches for the season – average is 15.31 inches). Mr. Irwin reported that demand has started to increase.

Five of the eight snow sensors are currently operational.

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Mr. Irwin based the routing on a March through October irrigation season with a carry-over of approximately 60,000 acre-feet. How quickly the snow runs off will determine the volume of carryover water in storage.

CHIEF ENGINEER'S REPORT

Chief Engineer Laurence Kimura reported on the following:

a. Developer Projects Update 2016-17

Engineering staff is working on reviewing projects scheduled for construction during the 2017-18 Maintenance Season. Currently, there is one project in progress and Staff is working on several reviews for the 2016-17 Maintenance Season (seven are currently under review). Staff also provided comments on 25 developer review notices and one utility search request during the last month.

b. Agency Projects Update 2016-17

Engineering staff is working on several projects that are under construction and working on reviewing projects scheduled for construction during the 2017-18 Maintenance Season. Currently, there are two projects in progress and Staff is working on reviews for next maintenance season (seven are currently under review).

i. High Speed Rail (HSR)

- HSR will host an open house on April 5, 2017, from 5-7 pm in the downtown area regarding Segment 1 of the High Speed Rail project;
- The HSR project will impact approximately 20 FID facilities (25 separate crossings);
- TPZP (contractor for north section) is working on Segment 1 (north of American Avenue);
- Caltrans is working on the relocation of State Route 99 (SR99) between Ashlan and Clinton avenues;
- DFJV is working on Segment 2-3 (south of American Avenue); and
- FID is working with all of the entities on design, agreements, issues, etc.

TPZP

- Work near Dry Creek Canal is on-going;
- Work near Herndon Canal may start this summer; and
- The work on the Herndon and Dry Creek canals is postponed until after the 2017 Irrigation Season.

Caltrans

- SR99 relocation is on-going – completion is expected mid-2018; and
- FID facilities completed – Victoria, Victoria Colony and Tracy pipelines.

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DFJV

- Gejeian and Oleander South Branches are DFJV's first priority to complete – final design is currently under review; and
- Designs for additional FID facility relocations s/o American Avenue are currently in design and under review but no construction schedule set yet.

c. Landowner Initiated Projects Update for 2016-17

There are no projects in progress or under review.

d. Other Activities

- Monthly groundwater levels were measured as part of the banking facility monitoring plan;
- Plans are in development for future maintenance projects;
- Staff is currently assisting or working on 12 FID maintenance/construction projects;
- Several surveys were performed for project design and construction;
- Seventeen construction, water or structure permits were issued during the last month; and
- Staff has been busy locating pipelines and rights-of-ways for crop conversions.

Director Porter inquired about a leak on the Kennedy II (private ditch). Mr. Irwin stated repairs to private ditches are the responsibility of the owners. Water deliveries are suspended until the ditch is repaired.

Mr. Kimura reviewed the following projects:

- Benzler Pond (NW South and Brawley) – pipeline relocation of approximately 800 feet of 15-inch PVC and pond embankment work;
- Maupin Canal (Spruce and Willow) – pipeline replacement of approximately 100 feet of 30-inch CIP with 30-inch RGRCP;
- Barstow South Lateral (Gettysburg and Dickenson) – pipeline replacement of approximately 24 feet of 24-inch NRCP with 24-inch RGRCP; and
- Limbaugh Property No. 177 (S/W McCall and Olive) – 1,000 gallon water spray (filling) tank using existing well/pump.

MANAGER'S REPORT

c. Proposition 218

i. Approval of Engineers Report (walk in)

Mr. Serrato started out by saying the District held three growers meetings (Kerman, Clovis and Easton) with one of the topics discussed being the upcoming Proposition 218 election. Other topics were water supply update and the Groundwater Sustainability Act. Attendance was lower than anticipated at the meetings.

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Mr. Serrato reviewed the District's calculated General Fund shortfall from 2011 to 2022. Mr. Serrato explained the District's objectives and history of the District's assessments rate increases. Staff, along with Mr. Ronnie Samuelian with Provost & Pritchard Consulting Group presented the Engineers Report. The Engineers Report was compiled by Provost & Prichard as approved by the Directors at a previous Board meeting. Staff's recommendation was to proceed with an election under Section 4 of Proposition 218 and include five rate categories – water service, underground water service, pump from ditch, lift pump and water rental. The Engineer's report outlines increasing the assessments on the named categories by \$6/acre in 2018 with a three percent (3%) increase per year for five years (2019-2023).

Mr. Serrato also describe the requirements of Section 4, when the ballots are scheduled for mailing, procedure for the return/counting of the ballots, how ballots are weighted, upcoming "town hall" meetings and the public hearing.

The additional assessment revenue would still require the sale of water to cover the shortfall in the General Fund until 2023. President Jacobsen reiterated to the Board that water sales would still be required every year to help pay for the other State imposed fees and Friant cost.

**ii. Approval to Proceed with Proposition 218 Election Process in 2017
– Schedule (walk in)**

Staff recommended that the Board approve proceeding with the Proposition 218 Election (under Section 4) with ballots reflecting the increases as stated in the Engineers Report. Ballots to be mailed out April 21 and all returned ballots counted on June 8 at the conclusion of the Public Hearing (scheduled to start at 4:00 pm).

M/S/C/(Prieto/Porter) That the Board of Directors approved Staff's recommendations and findings in the Proposition 218 Engineers Report including proceeding with a 218 election under section 4:

Assessment increases imposed on the following categories:

- a) Water service
- b) Underground water service,
- c) Pump from ditch,
- d) Lift pump,
- e) Water rental

and to proceed with the alternative that increases the assessment approximately \$6/acre in 2018 with a three percent increase per year for five years (2019-2023) with the rates set forth by table 6.2 and to approve the Proposition 218 Election in June 2017 by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

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ASSISTANT GENERAL MANAGER'S REPORT

Assistant General Manager Bill Stretch reported on the following:

a. Maintenance and Construction Update

Mr. Stretch stated a summary of the general operations/maintenance projects was included in the Board packet. Repairs of pipelines were divided under major / minor categories. Crews are staying late and working on their days off to handle maintenance repair issues. Mr. Stretch reported that the Dry Creek Extension and Little Houghton require major work and in some locations replacement of pipelines. The Engineering Department started work on designs/plans of those projects and will request approval from the Board when ready.

Following are some of the projects that FID crews and sub-contractors have been working on:

- Kutner Colony (S/O Shields on DeWolf) – pipeline repair by crews (PVC pipe failed);
- Deadwood S. Br. Canal (N/W California and Bishop) – gate and pipeline repair;
- Redbanks Canal (S/W Ashlan and Highland) – structure repair;
- Fancher Creek Canal (California and Minnewawa) – removal of debris from canal;
- Kennedy-Owens; Empire Canal; Oleander Canal and Lower Dry Creek – treated with Gallery Pre-emergent during the earlier part of the year;
- Herndon West Canal (N/W Ashlan and Shasta) – fabrication and installation of ITRC flap gate (design was created by FID Engineering Department);
- Fanning Canal (N/W Jensen and Marks) – reclaiming easement along canal bank;
- Oleander N. Br. Canal (South and Cherry) – reclaiming easement along canal bank;
- Gordon Canal (Whitesbridge and Dickenson) – reclaiming easement along canal bank;
- Lincoln Pond (S/O Lincoln on Howard Align) – crews were using rented flail mower as part of FID's weed control program;
- Helm Canal (Barstow and Willow) – dredging of sediment and performing weed control;

b. Serrato Intertie Project Update

Mr. Claes reported that during the last month there has not been a lot of activity due to weather – the ground behind the pump station was flooded. Placement of the prefabricated building is scheduled within the next few weeks. A Warren Act contract is required for the intertie to discharge water and the local office of the USBR decided to execute a 25-year contract instead of every five years. The on-site delivery of pumps is scheduled for late May or early June.

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c. Southwest Groundwater Banking Project Update

Mr. Claes stated that James Irrigation District (JID) has purchased the 60-acre parcels just west of the previously acquired 40-acre parcel. JID has started to move a small amount of dirt creating berms and furrows with the main construction to begin around June.

d. Sustainable Groundwater Management Act (SGMA) Update

i. North Kings GSA Update

Mr. Stretch reported that the NKGSA Board meeting scheduled for March 23 was cancelled due to lack of action items needed from the Board. The Board will continue to meet on the fourth Thursday of each month at the FID office. The Advisory Committee and Technical Subcommittee also continue to meet on a monthly basis.

Mr. Serrato stated that most of the questions from landowners who attended the growers meetings in early March were directed towards SGMA issues.

ii. Kings Subbasin GSA Update

No new update at this time.

iii. Miscellaneous – County/DWR/SWB

No new update at this time.

e. Friant North Authority (FNA) Update

At the last FNA Board meeting, Mr. Stretch was approved as the new treasurer for the Authority, replacing Gary Serrato who stepped down from the position. The Board also approved Workplan #3 (which the FID Board approved in February 2017). Director Porter, Mr. Serrato and Mr. Stretch will attend a Friant Water Authority meeting later in the week.

f. Equipment Committee Recommendations for 2017 Computer and Software Purchases

Mr. Stretch reported that an Equipment Committee meeting was held on March 8 with Directors Porter and Woolf in attendance. Topics of discussion were computers, HR software and asset management software.

Meeting Recap - Staff Recommendations

Staff recommends the purchase of nine desktop and two laptop computers at a cost of approximately \$18,000 as established by the current roll-down schedule.

Staff recommends the purchase of a HR software program at a cost of approximately \$15,000-18,000. This web-based software system will assist the HR Department in the standardization of worksheets/reports, update the current outdated database system, improve flexibility and tracking, maintain critical information, applicant tracking and

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reduce compliance issues. ADP will assist with the implementation of the software and the training.

Staff recommends the purchase of an asset management system at an approximate cost of \$63,000. This software from Mobile MMS would benefit the Water, Engineering and Maintenance departments with the following in 2017:

Water

- Basin, canal and pond readings
- State and local reporting
- Map-based SCADA read-only connectivity
- Asset inspections

Engineering

- Groundwater level tracking

Maintenance

- Work order prioritization and management
- Chemical effectiveness and application tracking

In 2018-2019 additional benefits would be:

Water

- Scheduling
- Additional state and local reporting
- USA tracking

Engineering

- Capital improvement planning
- Engineering project tracking

Maintenance

- Preventative maintenance scheduling
- Labor, equipment, and material cost analysis
- Fleet maintenance
- Dredging/pond silt removal tracking
- Plant/vertical asset maintenance

Staff recommends the purchase of 23 computer tablets for distribution within the three departments. Initial cost in 2017 would be approximately \$63,000 – followed by \$33,196 in 2018 and \$31,901 in 2019 for annual cost and expansion of the programs. This software would improve employees' efficiency and accuracy.

The Committee Members approved bringing each of the three requests before the entire Board for approval.

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M/S/C/(Beberian/Prieto) That the Board of Directors approved the purchase of the asset management software, new computers (nine desktops and two laptops) and HR Department software system with funds to come from the Power Revenue Fund as presented by Staff by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0 0; Absent – 0; Abstain – 0)

MANAGER’S REPORT

KINGS RIVER WATER ASSOCIATION

a. Kings River Water Association Update

No additional information to report.

Mr. Serrato added that the Engineer’s Report would be available soon on the FID website for public review. Mr. Stretch also added that a “frequently asked questions” sheet would also be on the website at the same time, along with the meetings dates/times/locations.

b. Friant Operations

No additional information to report.

ADMINISTRATIVE MATTERS

a. Resolution 2017-04 Revised Conflict of Interest Code

Mr. Serrato reported that the Fresno County Board of Supervisors is requiring additional minor revisions to FID’s Conflict of Interest Code. There was a discussion regarding “Appendix B” under the Consultant’s section. Staff agreed to review Appendix B with the County’s legal consultant.

M/S/C/(Porter/Prieto) That the Board of Directors approved Resolution 2017-04 and the Revised Conflict of Interest Code with the changes as presented by Staff by the following roll call vote.

After further discussion, this motion was pulled by the Board and replaced with:

Amended Motion M/S/C/(Porter/Prieto) That the Board of Directors approved the Conflict of Interest Code with the revised language as required by the County; and to have 1) FID’s legal counsel to consult with Fresno County’s legal counsel and 2) to make a further recommendation on the Consultant line under the disclosure categories assigned. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0 0; Absent – 0; Abstain – 0)

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b. Negotiations Between the Fresno Irrigation District and the City of Clovis Regarding the Restated Conveyance Agreement - Update

The first meeting to discuss the renegotiation of the Conveyance Agreement between FID and the City of Clovis took place on March 8 with another meeting scheduled for April 5. Discussions are moving forward with the goal to have the agreement finalized by the end of the year. Mr. Serrato reviewed the details of the progress that was made and the steps going forward. Mr. Serrato requested that an ad hoc committee be assembled and eventually meet with the City of Clovis representatives. FID's legal counsel has reviewed the agreement and discussed with Staff the items for negotiations.

DIRECTORS' REPORT

Director Beberian – none.

Director Woolf – waiting for announcement (from the Bureau of Reclamation) on the water allocation percentage for the season.

Director Jacobsen – none.

Director Porter – none.

Director Prieto – none.

Open Session concluded at 6:40 p.m. with Directors and some Staff immediately going into Closed Session.

CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation Government Code 54956.9(d)(2). Meet in closed session to confer with counsel on potential litigation arising out of claims by third parties to water rights on the Kings River. On advice of counsel, the staff has concluded that, based on existing facts and circumstances, there is significant exposure to litigation by or against the KRWA.

Government Code Section 54956.8 Real Property Transactions.

Negotiators: William Stretch – FID, DeAnn Hailey – FID, and Anderson Clayton Corporation

Properties: APN 487-042-43S

Terms and Conditions: Negotiations of Purchase of Real Property.

Government Code Section 54956.8 Real Property Transactions.

Negotiators: William Stretch – FID, DeAnn Hailey – FID

Properties: APN 559-061-07S

Terms and Conditions: Negotiations of Sale of Real Property (Clovis).

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CLOSED SESSION ADJOURNMENT

President Jacobsen adjourned Closed Session at 6:53 p.m.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Jacobsen stated there was no reportable action from Closed Session.

ADJOURNMENT

With no further business, President Jacobsen adjourned the meeting at 6:54 p.m.

Submitted By,

Gary R. Serrato
Secretary of the Board