

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 18, 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 April 18, 2017. Board President Ryan Jacobsen called the meeting to order at 4:03 p.m.

DIRECTORS PRESENT

President Ryan Jacobsen
Director George Porter
Director Gregory Beberian
Director Christopher Woolf

DIRECTORS ABSENT

Vice President Jerry Prieto, Jr.

STAFF PRESENT

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

OTHERS PRESENT

Hudson Henderson & Company Representative Brian Henderson, CPA

PLEDGE OF ALLEGIANCE

Board President Jacobsen opened the meeting at 4:03 p.m. with the Pledge of Allegiance.

REVIEW AGENDA

No changes.

REVIEW OF FUTURE MEETINGS

President Jacobsen reminded the Directors that the Board of Equalization meetings would be held in June.

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]

None stated.

CONSENT CALENDAR

- a. **Approval of Regular Board Meeting Minutes – March 21, 2017**
- b. **Approval of Audit Committee Meeting Minutes – April 10, 2017**
- c. **Approval of Finance Committee Meeting Minutes – April 10, 2017**
- d. **March 2017 Check Reports**
- e. **March 2017 Payroll Registers**
- f. **March 2017 Unpaid Assessment Report**
- g. **March 2017 Investment Account**

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

WATERMASTER'S REPORT

The Watermaster's Report was presented ahead of the Controller's Report while waiting for the auditor to arrive.

a. Current Water Conditions Report

Mr. Irwin reported on the current and projected water supply and routing information. As of April 17, Pine Flat release was 9,230 cfs with storage at 501,598 acre-feet. FID's storage is 66,161 acre-feet. Pre-Project for the Kings River is 5,683 cfs – FID's entitlement is 1,266 cfs. Pine Flat precipitation is currently at 167.3% (29.27 inches for the season – average is 17.50 inches). Five of the eight snow sensors are currently operational.

Mr. Stretch commented that during the KRWA meeting, Steve Haugen (KRWA Watermaster) reported that this year's run-off equals the last five years combined. Mr. Irwin based his routing report on a March through October irrigation season. Mr. Serrato stated there could be approximately 60,000 acre-feet of carry-over; however, how quickly the snow runs off will determine the actual volume of carryover water in storage. The District banked over 6,000 acre-feet in the District's groundwater storage facilities during the month of March; total credits for all facilities is over 107,000 acre-feet.

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CONTROLLER'S REPORT

a. 2016 Audited Financial Statements

Mr. Brian Henderson reported it was the opinion of the auditing firm that the financial statements referred to above were presented fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2016 and 2015, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Mr. Henderson stated it would be issuing a clean or unmodified opinion that the financial statements were presented free of material misstatement.

The auditors were on-site for four days and while performing the audit, received unrestricted access to Laserfiche, the accounting software, excel files, hard copy files and Staff. Using the Laserfiche software program made the auditing process more efficient, quicker and reliable for Staff and auditors.

The 2016 audit of the District's Financial Statements and the audit of the Employees' Retirement Plan were presented to the Audit Committee by the auditor.

M/S/C/(Porter/Beberian) That the Board of Directors accepted the audited financial statements as presented by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

b. 2016 Audited Retirement Plan Financial Statements

Mr. Henderson reviewed the retirement plan financial statements with the Board. The audit was clean except for one issue and one oversight by the financial investment group. An issue arose when a form was missing on one employee. A new safeguard procedure was implemented by Staff to assure that all employees sign the required forms. This procedure will help protect the District from possible future liability issues. The auditor also noted an oversight by the financial investment group used by the District on three retired employees, which was corrected during 2016 by the group. The auditor verified that all employees had been reviewed by the financial investment group to avoid future oversights. President Jacobsen reiterated that this oversight was not on the part of the District but on the financial group handling the employee's investments. An audit of the other retired employees showed that there were no other discrepancies.

M/S/C/(Porter/Woolf) That the Board of Directors approved the 2016 Audited Retirement Plan Financial Statements as presented by the auditor by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

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c. 2016 Retirement Plan Report to Management

Mr. Henderson stated that the report summarizes the findings and the implementation of the new procedure. Mr. Henderson also commended the Board for its leadership in funding the Other Post-Employment Benefits (OPEB). He also stated that beginning in 2018; unfunded liabilities will be reported on the District's financial statements. Reporting the unfunded liabilities may have a direct effect on all agencies' credit ratings.

M/S/C/(Porter/Beberian) That the Board of Directors approved the 2016 Retirement Plan Report to Management as presented by the auditor by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

d. December 31, 2016 Fund Statements and Supporting Documents

Ms. Hailey reported that the fund statements match the audited financial statements. Fuel costs were down due to lower prices, maintenance (canals repairs) costs were down due wet weather not allowing for some projects and repairs, chemical expenses were higher due to an aggressive weed program and higher than anticipated cost in the Capital Improvements Fund were due to the Enterprise Canal lining project. December's supporting documents were also reviewed.

M/S/C/(Porter/Beberian) That the Board of Directors approved to accept the December 31, 2016 Fund Statements and Supporting Documents as submitted by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

e. 2017 Investment Maturities – First Quarter

Ms. Hailey stated that there was only one maturity from Bank of America. The District earned \$10,201.39 in realized gains as of March 31, 2017.

f. Nielsen and Marks Lease

Ms. Hailey stated Pancho Villa Riders would like to renew the lease on the property located at Nielson and Marks for an additional year. Additional improvements to the property by the tenants were made and the property is being well maintained. Staff's recommendation is to renew the lease for another year at the same lease amount.

M/S/C/(Porter/Woolf) That the Board of Directors approved the renewal of the Nielsen and Marks Lease with the Pancho Villa Riders at the same rate by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

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CHIEF ENGINEER'S REPORT

Chief Engineer Laurence Kimura reported on the following:

a. Developer Projects Update 2017-18

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 2017-18 Maintenance Season (eight are currently under review). Staff also provided comments on 32 developer review notices and four utility search requests during the last month.

b. Agency Projects Update 2017-18

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 is one project in progress and Staff is working on reviews for next maintenance season (six are currently under review).

i. High Speed Rail (HSR)

- 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;
- Work on the Herndon and Dry Creek canals was postponed until after the 2017 Irrigation Season; and
- Construction work at Tulare Street and Mono Street crossings to start this summer.

Caltrans

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

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 has been set.

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c. Landowner Initiated Projects Update for 2017-18

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;
- Groundwater levels were measured on the semi-annual wells;
- Plans are in development for future maintenance projects;
- Staff is currently assisting or working on nine FID maintenance/construction projects;
- Several surveys were performed for project design and construction;
- Four 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.

Mr. Kimura reviewed the following projects:

- Enterprise Canal (Sunnyside and Shepherd) – concrete lining project and replacement of all-weather road; and
- Fanning Canal (Jensen and Blythe) – pipeline substitution of approximately 400 feet with 60-inch RGRCP.

ASSISTANT GENERAL MANAGER'S REPORT

Assistant General Manager Bill Stretch reported on the following:

a. Maintenance and Construction Update

Mr. Stretch noted a summary of the general operations/maintenance projects was included in the Board packets. Due to the irrigation season underway, maintenance and construction projects have been put on hold. Heavy Equipment Operators have been reclaiming right-of-ways and easements along canal banks. Mr. Stretch reported that pipeline repairs for the Dry Creek Extension and Little Houghton are still in progress.

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

- Barstow S Lateral #2 (S/W Shaw and Dickenson) – pipeline repair;
- Jameson Lateral (Central Avenue and Jameson Avenue Alignment) – gate repair;
- Jameson Lateral (S/O Central on Jameson Avenue Alignment) – pipeline repair;
- Little Houghton Canal (S/W Belmont and Garfield) – pipeline repair; and
- Enterprise Canal (S/E Shepherd and Sunnyside) – tree removal that stretches from canal bank into canal.

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Mr. Stretch stated that a project list compiled by the Engineering, Water, and Construction/Maintenance departments would be presented at the next Board meeting.

b. Serrato Intertie Project Update

Mr. Claes reported that during the last month there has been a lot of work done at the Serrato Intertie. Electrical, pads for transformers and light bulbs have been installed. Pumps are scheduled to arrive later next month allowing the contractor to finish some of the underground electrical, followed by pump installation. Operators will then be able to test the pumps in June or July.

c. Southwest Groundwater Banking Project Update

Mr. Claes reported that Staff expects to go out to bid on the project later this month with the construction contract to begin in June.

d. Sustainable Groundwater Management Act (SGMA) Update

i. North Kings GSA Update

Mr. Stretch reported that as of April 13 the NKGSA has been classified as an official agency.

The March Board meeting was cancelled with the next meeting scheduled for April 27. The Advisory and sub-committees continue to meet.

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

The six GSA continue to meet monthly but there is no significant update.

iii. Miscellaneous – County/DWR/SWB

No new update at this time.

e. Friant North Authority (FNA) Update

i. Discussion/Possible Action to Approve Special Activity Agreement for Work Plan No. 4 (Analysis In Preparation For A Proposition 1 Application For Temperance Flat Reservoir), and Related Work Plan No. 4 with Friant Water Authority

The objective of this Activity Agreement shall be for the Authority to enter into Work Plan No. 4 (in preparation for a Proposition 1 Application for Temperance Flat Reservoir) with the Friant Water Authority as a special activity for the participating members. FID's portion to participate would be \$5,855.

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M/S/C/(Porter/Beberian) That the Board of Directors approved the Work Plan #4 as presented by Staff by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

- i. **Discussion/Possible Action to Approve a Modification to Special Activity Agreement for Work Plan No. 3**

This item was pulled for further review.

MANAGER’S REPORT

KINGS RIVER WATER ASSOCIATION

- a. **Kings River Water Association Update**

No additional information to report.

- b. **Friant Operations**

No additional information to report.

- c. **City of Clovis Conveyance Agreement Update**

The City of Clovis and FID met for the second time. The City has approached District Staff and requested FID to begin negotiations in the development of a new water supply. Negotiations with the City of Clovis were put on hold until September 2017 to allow time to research new water supply development.

OTHER: Mr. Serrato discussed his meeting with New Current Water and Land regarding the Strategic Plan that FID will utilize to assist in developing a road map for future FID water supply development and financial stability. A number of items for inclusion were discussed and reviewed, which will be reviewed with the Board.

ADMINISTRATIVE MATTERS

- a. **Resolution 2017-05: Bureau of Reclamation Contracts – Unreleased Restoration Flows**

Mr. Serrato stated that this is the annual contract between the Bureau and the District to allow the purchase of 2017/2018 unreleased restoration flow water by way of Resolution 2017-05.

M/S/C/(Porter/Woolf) That the Board of Directors approved Resolution 2017-05 as presented by Staff by the following roll call vote. (Ayes – Beberian, Woolf, Jacobsen, Porter; Nays – 0; Absent – Prieto, Jr.; Abstain – 0)

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DIRECTORS' REPORT

Director Beberian – none.

Director Woolf – happy to hear that there will be a 100% allocation (from the Bureau of Reclamation) for the season.

Director Jacobsen – attended the Easton Town Hall meeting. The meeting went very well.

Director Porter – inquired if the increase in tax on gasoline will affect the District and the sharing of pipelines.

Director Prieto – absent.

Open Session concluded at 5:42 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, Gary Serrato – 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, Gary Serrato – FID, DeAnn Hailey – FID

Properties: APN 559-061-07S

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

Conference with Legal Counsel on Anticipated Litigation Pursuant to Government Code Section 54956.9(d)(2). The Board will meet in closed session to confer with counsel on potential litigation or other proceedings arising out of a damage claim.

CLOSED SESSION ADJOURNMENT

President Jacobsen adjourned Closed Session at 6:37 p.m.

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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 6:38 p.m.

Submitted By,



Gary R. Serrato
Secretary of the Board