

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

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 17, 2018. 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 Chris Woolf

DIRECTORS ABSENT

None

STAFF PRESENT

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

OTHERS PRESENT

Hudson Henderson & Company Representative Brian Henderson
Maricopa Orchards Representative
Independent Reporter Don Wright

PLEDGE OF ALLEGIANCE

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

REVIEW AGENDA

President Jacobsen stated there were no changes to the agenda.

REVIEW OF FUTURE MEETINGS

President Jacobsen stated there were no changes to future meetings.

PUBLIC PRESENTATIONS

None.

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

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 Woolf stated a possible conflict of interest with item 6. h. – Developer Pipeline Project on the Little Teague No. 415. This item will be pulled and voted upon separately.

CONSENT CALENDAR

- a. **Approval of Equipment Committee Meeting Minutes – March 20, 2018**
- b. **Approval of Regular Board Meeting Minutes – March 20, 2018**
- c. **March 2018 Check Reports**
- d. **March 2018 Payroll Registers**
- e. **March 2018 Unpaid Assessment Report**
- f. **March 2018 Investment Account**

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

Director Prieto pulled item 6. g. for further inquiry.

Director Woolf recused himself from item 6. h.

- g. **Developer Pipeline Project – Wilson Homes (Tract 6193) will Relocate and Replace the Existing Redbanks No. 388, Located Southwest of Ashlan and Highland Avenues, with Approximately 1,750 Feet of 30-Inch Diameter ASTM C-361 RGRCP in Accordance with Board Policy. Engineering Action Request 2018-04**

Director Prieto inquired if Staff notified the users on Redbanks No. 388 of the relocation. Staff stated the one user on the line was notified.

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

- h. **Developer Pipeline Project – Brodie Johanson will Replace the Existing Little Teague No. 415, Located Northeast of Nees and Clovis Avenues, with Approximately 322 Feet of 18-Inch Diameter ASTM C-361 RGRCP in Accordance with Board Policy. Engineering Action Request 2018-05**

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

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

CONTROLLER'S REPORT

a. Discussion / Possible Action on 2017 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, 2017, 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. The auditors then came back the following week, at management's request, for an additional two days. It was management's intention to show that the District's financial position was transparent and in good standing. Using the Laserfiche software program made the auditing process more efficient, quicker, and reliable for Staff and auditors.

President Jacobsen stated that the Audit Committee met the previous week and reviewed the District's Audit report and Audited Employees Retirement Plan report with Brian Henderson and Staff.

M/S/C (Porter/Prieto) That the Board of Directors approved the 2017 Audited Financial Statements by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

b. Discussion / Possible Action on 2017 Audited Employees Retirement Plan

Mr. Henderson reviewed the retirement plan financial statements with the Board. Mr. Henderson stated it would be issuing a clean or unmodified opinion that the financial statements were presented free of material misstatement.

M/S/C (Prieto/Porter) That the Board of Directors approved the 2017 Audited Employees Retirement Plan by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

c. Discussion / Possible Action on December 31, 2017 Fund Statements and Supporting Documents

Ms. Hailey reported that Revenues were at 100%, Operations and Maintenance Delivery System expense were at 74% (due to the long water season some of the end of year job expenses were deferred to 2018), Other Maintenance was at 82%,

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

KRWA/SGMA Expenses were at 99%, Wages and Salaries was at 98%, Employment Benefit was 97%, Utilities were at 90%, and overall expenses at 92%.

M/S/C (Prieto/Porter) That the Board of Directors approved the December 31, 2017 Fund Statements and Supporting Documents by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

d. March 2018 Deposits and Investments Update

Ms. Hailey reviewed the Deposits and Investments with the Board. Director Beberian inquired if the investments with Fannie Mae and Fannie Mac are automatically rolled over. Ms. Hailey replied none of the District's investments are automatically rolled over.

e. 2018 Investment Maturities as of March 31, 2018

Ms. Hailey reported realized gains earned as of March 31, 2018 were \$75,848.40.

f. Discussion / Possible Action on OPEB Valuation as of January 1, 2018

Ms. Hailey provided the results of the GASB 75 actuarial valuation of the District's retiree health insurance program as of January 1, 2018. The actuarial net liability is \$1.6 million; of that amount, the implicit subsidy equals \$770,324 and does not need to be funded since this amount is calculated as if the retirees were insured separately and not with the active employees. Since the District has no plans to separate the insurance for the retirees, this amount is unrealistic. This report is required to be prepared every two years.

M/S/C (Porter/Woolf) That the Board of Directors approved the OPEB Valuation as of January 1, 2018 report as presented by Staff by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

g. ACWA JPIA Stabilization Fund Refund Update

Ms. Hailey reported the District received a check for \$19,410.60 from ACWA/JPIA. The refund was based on the calculation of the stabilization fund over several years.

h. Discussion / Possible Action on Obtain Warrants (Central Basin Project)

Ms. Hailey requested funding for the Central Basin project. Staff requested authorization to negotiate funds for this project using warrants (line of credit). Staff requests that the general manager be allowed to negotiate with financial institutions for the best terms on warrants for the project. When negotiated, the contract will be brought to the Board for approval. The Central Basin project costs are approximately \$6 million with grant funds to cover \$4 million of that amount.

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

M/S/C (Beberian/Woolf) That the Board of Directors approved Staff to research competitive costs and interest rates on warrants before bring back to the Board for additional discussion and approval by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

WATERMASTER’S REPORT

a. Current Water Conditions Report

Mr. Irwin reported on the current and projected water supply and routing information. As of April 16, Pine Flat release was 784 cfs with storage at 831,440 acre-feet. FID storage was 157,376 acre-feet. Pre-Project for the Kings River was 5,166 cfs – FID entitlement was 1,266 cfs. Fresno precipitation was at 6.70 inches for Year-To-Date, 66% of average (10.15 inches) – Pine Flat precipitation was at 13.06 inches for Year-To-Date, 74.8% of average (17.47 inches). Additional precipitation is expected later in the week. Irrigation deliveries started on April 16 District-wide.

b. Discussion / Possible Action on Annex Area Water Supply and Charges

Staff stated that since Uncontrolled Season (UCS) water has become available, the cost of Annex Area water could be lowered from \$300 to \$75 until the Uncontrolled Season (UCS) water is no longer available (possibly until May 15). The \$75 fee covers water and Staff expenses. Once the UCS water runs out, Staff will reevaluate the cost and bring to the Board for consideration.

M/S/C (Prieto/Beberian) That the Board of Directors approved lowering the cost of water to the Annex Area to \$75 per acre-foot with it being brought back to the Board when UCS water is no longer available by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

c. Discussion / Possible Action on Sale of Water

Mr. Serrato stated that Pine Flat storage is at 831,000 acre-feet. Taking into consideration of inflows, upcoming storm event, and starting of the snowmelt, KRWA announced there is a possibility of a flood release of five to seven days around May 15.

Mr. Serrato requested that FID enter into a groundwater banking arrangement with Consolidated Irrigation District (CID) for up to 30,000 acre-feet at a two-for-one ratio for the upcoming water season with repayment to be within three years. By entering into the agreement, FID will ensure that it does not exceed its storage capacity in Pine Flat.

M/S/C (Porter/Prieto) That the Board of Directors approved the transfer/sale agreement with CID at a two-to-one ratio with repayment to be within three years which will be negotiated by Staff by the following vote. (Ayes – Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – Beberian; Absent – 0; Abstain – 0)

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

Mr. Serrato stated the Board approved selling up to 6,000 acre-feet of water during April's Special meeting. Mr. Serrato requested approval to sell an additional 4,000 acre-feet of water at the same terms/conditions.

M/S/C (Prieto/Woolf) That the Board of Directors approved increasing the sale of water up to 10,000 acre-feet at \$500 per acre-foot by the following vote. (Ayes – Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – Beberian; Absent – 0; Abstain – 0)

CHIEF ENGINEER'S REPORT

Chief Engineer Laurence Kimura reported on the following:

a. Developer Projects Update 2017-18

- Staff reviewed projects for the 2017-18 Maintenance Season
- Six projects in progress
- Nine projects under review
- Commented on 35 developer review notices and three utility search requests

b. Agency Projects Update 2017-18

- Staff worked on projects under construction and reviewed projects for the 2017-18 Maintenance Season
- Five projects in progress
- Five projects under review

i. High Speed Rail (HSR)

- FID Staff continues to work on facility agreement negotiations with CHSRA, BNSF, and UPRR
- Construction work at Dry Creek Canal has been completed for now. Work will potentially resume in the fall
- Construction at the Fresno Colony Canal is nearly complete and able to convey water deliveries
- Fill material excavation from Pursell, Oleander, and Ventura ponds are completed

c. Landowner Initiated Projects Update for 2017-18

- Two projects in progress
- No projects under review for the 2017-18 Maintenance Season

d. Other Activities

- Groundwater levels were measured as part of the banking facility's monitoring plan
- Plans are being drawn up for future maintenance projects

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

- Staff is assisting or working on seven FID maintenance/construction projects (five currently in progress)
- Several surveys were performed for project design and construction
- Staff has been very busy locating pipelines and rights-of-ways for crop conversions
- Over the last month seventeen construction, structure, or water permits were issued and monitored

Project(s)

- Fresno Colony Canal (N/W North and Cedar) – construction of two concrete junction boxes to complete pipeline relocation
- Oleander Pond (N/E Lincoln and Chestnut) – HSR contractor excavating pond for borrow material
- G-9 (N/W McKinley and Del Norte) – FID’s contractor replacing approximately 650 feet of 36-inch CIP-MCP with 36-inch RGRCP. Pipe was damaged during landowner’s land-leveling activities. The pipeline is ready to convey water
- Thompson #4 Canal ((Ashlan Align and Jameson) – landowner replacing and realigning approximately 575 feet of 30-inch CIP-MCP with approximately 800 feet of 30-inch PVC pipe due to ripper damage

ASSISTANT GENERAL MANAGER’S REPORT

Operations Manager Adam Claes reported on items a. - c. for the Board:

a. Maintenance and Construction Update

- Briggs Canal (Tulare W/O Temperance) – brushing along/in the canal banks
- Briggs Canal (N/E Belmont and Temperance) – continued with extensive brushing
- G-6 Canal (Shields and Madera) – crews repaired a 24-inch CIP pipeline
- G-9 (McKinley and Del Norte) – installation of new gate
- American Colony (American and Walnut) – replacement of turnout gate and structure
- Briggs Canal (Butler and Temperance) – installation of 400 feet of concrete liner
- North Central (North and Cherry) – bathtub installation in between culvert and check structure
- Briggs Canal (Peach and Lincoln) – crews reclaiming drivable road along bank
- Mill Canal (McKinley and Millbrook / McKinley and CA-168) – homeless camp clean-up
- New FID dump trucks

b. Southwest Groundwater Banking Project Update

Situated at S/E Lincoln and Madera avenues is a 100-acre joint recharge facility project with the James Irrigation District. The pond is essentially complete with the contractor

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

finishing a few last punch-list items. The pond is equipped with turnout and control structures, weir, monitoring wells, and fencing. The facility will begin conveying water very shortly.

President Jacobsen commended Mike Prestridge and his crew for doing an excellent job on weed control this season.

c. Discussion / Possible Action on Equipment Committee Recommendations (walk in)

In March, the Equipment Committee met with Staff to discuss the replacement of a chipper that suffered an engine failure at the beginning of the year. The Committee directed Staff to proceed with obtaining bids. Prior to the regular April Board meeting, the Committee met to review the two submitted bids. Mr. Claes reviewed the bids along with the different specifications. It was the recommendation of the Committee and Staff to purchase the 15-inch Morbark chipper with the added Chipsafe safety system at a cost of \$76,500. It was noted that Staff would have needed to purchase a new chipper at the beginning of 2019 due to the required emission standards (even if the current chipper was still operational).

M/S/C (Beberian/Porter) That the Board of Directors approved the purchase of a 15-inch Morbark chipper with the Chipsafe safety system at a cost of \$76,428 by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

Assistant General Manager Bill Stretch reported on items d. - g. for the Board:

d. Sustainable Groundwater Management Act (SGMA) Update

i. North Kings GSA Update

Mr. Stretch reported the North Kings GSA Board next meets May 24 (the April Board meeting was cancelled due to lack of action items). The Advisory and subcommittee groups continue to meet. The Technical Committee continues to work on completing the draft GSP within the next eight months; they are now working on the more complex chapters. The Outreach Committee's efforts have increased. During the last NKGSA Board meeting, the Committee presented the draft Outreach Plan, which was adopted by the Board. The Admin/Fiscal Committee met to discuss the upcoming budget. Mr. Stretch stated that the new budget would incorporate more of FID's costs (i.e. administrative, fiscal, and technical). Mr. Serrato stated 50% of his time is being consumed with SGMA matters. Mr. Serrato continues to meet with the Kings Subbasin group to address the larger subbasin issues.

ii. Kings Subbasin GSA Update

The preliminary overdraft numbers and boundary flows for the seven GSAs continues to be discussed, as does the agreement for dispute resolution and choice of mediator.

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

iii. Miscellaneous – County/DWR/SWB

DWR continues to provide workshops throughout the State. Staff will be attending one of these workshops next week in Clovis.

e. Friant Water Authority – Update

Mr. Stretch stated FWA had their second annual dinner last month – this year it was held in Fresno. FID Staff attended along with Director Prieto. During the dinner, FWA's CEO discussed SGMA, the proposed water bond, title transfer, and other water issues.

The Friant-Kern Canal is at full capacity and expected to remain so until November. FWA is starting to attend some of the local SGMA meetings in hopes of solving the subsidence issue that is occurring in the canal. During the last FWA Board meeting, possible subsidence remedies were discussed, including bridges, raising liners, and in-line pumping. These options are considered short-term fixes and costs could range from \$10 - \$100 million dollars.

f. FID Water Resource Strategic Plan Element Update

The draft of the Strategic Plan prepared by New Current Water and Land was presented to Staff last week. A meeting with New Current is scheduled for May to review the draft.

g. Trails Along FID Canals – Master Trails Agreement with the City of Fresno Update

A meeting with the City of Fresno, including the city manager, mayor's chief of staff, assistant city manager, and FID Staff is scheduled for May 1 to go over the last details and to finalize the agreement. It is FID's stance that the agreement is 100% complete.

Mr. Stretch reiterated that the Growers meetings held in Easton, Clovis, and Kerman were a great success and well attended.

In response to Director Beberian's question about who owns the title to the dam and the underlying land of the reservoir, Mr. Stretch reported that it is the Federal Government / Army Corp of Engineers.

The media and interested parties received a copy of the press release announcing the start of water season.

MANAGER'S REPORT

KINGS RIVER WATER ASSOCIATION

a. Kings River Water Association Update

Mr. Serrato mentioned that FID Staff would be meeting with James Irrigation District and Tranquility Water District to discuss the transfer of water.

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

b. Friant Operations Update

No further update.

c. Miscellaneous Updates

Mr. Serrato announced that JPIA invited FID's Safety Manager David Burrow to be part of a panel discussion during the JPIA conference (held the first week of May). Mr. Burrow will give a PowerPoint presentation on the homeless situation in and along the District's canal banks.

Mr. Serrato announced there would be a public forum held at California State University Fresno's (CSUF) Madden Library on April 27 at 6:00 p.m. to discuss Temperance Flat.

Tommy Esqueda from the City of Fresno has taken a new position at CSU - Fresno as the Associate Vice President of Water and Sustainability.

Assistant General Manager Bill Stretch stated he is speaking to a group of junior/senior CSUF civil engineering students regarding SGMA and FID.

Mr. Serrato stated that the Conveyance Agreement between FID and the City of Clovis is getting closer to being completed. FID's ad hoc committee will need to meet prior to meeting again with the City of Clovis.

ADMINISTRATIVE MATTERS

a. Discussion / Possible Action on Legislation AB 2649 Support Position

Mr. Serrato discussed the proposed legislation and taking a stance that groundwater recharge be declared a beneficial use. SGMA legislative language states it will help to remove the impediments to recharge. Staff recommends taking a support position on AB 2649. President Jacobsen suggested taking a support position unless Staff decides the amendments are no longer beneficial to FID.

M/S/C (Prieto/Porter) That the Board of Directors approved taking a support position unless Staff decides the amendments are no longer beneficial to FID by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

b. Discussion / Possible Action on Water Supply and Water Quality Bond Act of 2018

FWA reached out to FID to support the "November Water Bond Act". Mr. Stretch provided handouts including outline of the legislation, endorsement list, and a question/answer fact sheet. Mr. Stretch highlighted that a portion of the money within

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

the bond would be allocated for repairs for the Friant-Kern Canal (restore capacity). It is Staff's recommendation to provide a letter of support.

M/S/C (Prieto/Porter) That the Board of Directors approved FWA's request for a letter of support from FID for the Water Supply and Water Quality Bond of 2018 by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

c. Discussion / Possible Action on Donation to the San Joaquin Valley Water Infrastructure Authority

Mr. Serrato stated that SJVWIA requested a donation from FID. Staff recommends donating \$10,000 to support the SJVWIA organization for Temperance Flat.

M/S/C (Porter/Prieto) That the Board of Directors approved the contribution of \$10,000 to the San Joaquin Valley Water Infrastructure Authority by the following vote. (Ayes – Beberian, Woolf, Jacobsen, Porter, Prieto, Jr.; Nays – 0; Absent – 0; Abstain – 0)

d. JPIA Insurance Policy Update

Mr. Serrato stated this was an update on JPIA enhancing their program. Mr. Serrato, Mr. Stretch, and Mr. Boswell are scheduled to meet with JPIA's CEO Andy Sells next week.

DIRECTORS' REPORT

Director Beberian – none.

Director Woolf – explained the distant connection of former First Lady Barbara Bush and CSUF (1947 College World Series baseball).

Director Jacobsen – announced the passing of former First Lady Barbara Bush.

Director Porter – none.

Director Prieto – none.

Open Session concluded at 6:41 p.m. with the Directors and some Staff going into Closed Session at 6:53 p.m. No District business was discussed during the break.

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

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD APRIL 17, 2018**

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; and William H. Wagner and William H. Wagner as Trustee

Properties: APN 512-021-03 and 512-020-09

Terms and Conditions: Negotiations of Purchase of Real Property
Resolution 2017-14

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 claim by third party: Hardeep Kalket and Amandeep Kalket - Engineering Action Request 2018-03 (CS-1)

CLOSED SESSION ADJOURNMENT

President Jacobsen adjourned Closed Session at 7:21 p.m.

REPORT IN OPEN SESSION 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 7:21 p.m.

Submitted By,



Gary R. Serrato
Secretary of the Board