

**FRESNO IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING
HELD MAY 25, 2010**

Fresno Irrigation District's Board of Directors met in regular session in the District office located at 2907 South Maple Avenue – Fresno, California, on May 25, 2010. Meeting was called to order at 5:00 pm by Board President Jeff Boswell.

DIRECTORS PRESENT

President Jeff Boswell
Vice President Jeff Neely
Steven Balls
Ryan Jacobsen
George Porter

DIRECTORS ABSENT

None

STAFF PRESENT

General Manager Gary Serrato
Assistant General Manager Laurence Kimura
Chief Engineer Bill Stretch
Watermaster Jim Irwin
HR Director Regina Davis
Controller DeAnn Hailey
Recording Secretary Lynn B. Rowe

OTHERS PRESENT

Attorney Alex Peltzer (arrived at 6:00 pm)

REVIEW AGENDA

Attorney Alex Peltzer will arrive around 6 pm to participate in the Closed Session portion of the meeting. Staff request that Closed Session be moved to an earlier time to accommodate Mr. Peltzer's schedule. No objections were made.

REVIEW OF FUTURE MEETINGS

Mr. Serrato reviewed the Board of Equalization schedule with the Board which will begin on June 14.

PUBLIC PRESENTATION

None

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 Porter stated a potential conflict with Closed Session item – River Cross transaction.

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CONSENT CALENDAR

a. Approval of Regular Board Meeting Minutes – May 11, 2010

Director Jacobsen questioned Staff on the difference between a qualified and unqualified audit. Staff explained the differences and restated the District received an unqualified audit for 2009.

Director Jacobsen also wanted clarification on page 60 of the May 11 minutes regarding the Class II water sale. The total amount of water available for sale is 22,000 acre-feet.

M/S/C/(Balls/Porter) That Board of Directors approved the Consent Calendar with the change to page 60 of the minutes by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

380: WATER REPORT

a. Current Water Conditions

The current and projected water supply information was given by Watermaster Jim Irwin. As of May 24, Pine Flat release was 6,098 cfs and storage was 734,466 acre-feet. Pine Flat precipitation is at 125.5% of normal with the season at 23.46" and the average being 18.69". Water deliveries are expected to continue through the end of October.

A rain storm is projected later this week with cooler temperatures expected by the middle of the week. A warming trend is expected by the weekend, which will increase runoff. Pine Flat Reservoir is likely to reach 975,000 acre-feet.

Due to cooler than normal temperatures for the month of May, expectations for a flood release in June have been dismissed. The Bureau of Reclamation has declared an additional 10% of schedulable Class II water which can be taken at anytime throughout the year.

CONTROLLER'S REPORT

Controller DeAnn Hailey reported on the following:

- a. Controller's Report**
- b. April 2010 Fund Statements**
- c. April 2010 Notes to the Fund Statements**
- d. April 2010 Treasurer's Report**
- e. April 2010 Deposits and Investments**

Ms. Hailey reviewed the financial reports with the Board. With no questions from the members, Staff requested that the reports be approved as presented.

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M/S/C/(Balls/Porter) That Board of Directors approved the Controller's reports as given by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

f. Policy 130-508 (Audit & Issuance of Checks)

Staff reviewed the current and requested changes to be made to policy 130-508 with the Board allowing for check runs on the 13th and 27th of each month.

M/S/C/(Balls/Neely) That Board of Directors approved the revision to Policy 130-508 by unanimous vote. (Ayes 5; Nays 0; Absent 0; Abstain 0)

CHIEF ENGINEER'S REPORT

Chief Engineer Bill Stretch reported on the following items:

a. Developer and Agency Project Schedule for 2010/11 Update

Developer Projects – There are no new developer projects taking place.

Agency Projects – There are no new agency projects taking place.

b. Three-Year Maintenance and Facility Upgrade Project for 2010/11

Mr. Stretch informed the Board the three-year plan is proceeding as expected. A few punch-list items are being handled.

Pursell Pond project will be going out to bid later this week with the awarding of the contract to be done by the end of June.

ASSISTANT MANAGER'S REPORT

Assistant General Manager Laurence Kimura reported on the following:

a. Nielsen Site Rubble Pile Update

There have been no significant changes at the property site. Continued discussions will take place during Closed Session.

b. Waldron Banking Facility

The involved parties are still negotiating responsibility and costs for the repairs to the damaged concrete lining at the Lambrecht Banking Facility.

c. District Office Plan

The majority of the roof framing has been completed. Several sub-contractors are on site taking care of their portion of the construction. Rough plumbing and electrical continues to be installed. The expiration of the original contract is about up and the contractor will be working on "rain days" before liquidated damages are assessed.

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d. General Maintenance and Equipment Update

- Heavy equipment operators finished working on the Armstrong Ditch;
- Heavy equipment operators are placing more riprap at Waldron;
- Damage from gopher holes and seepage are being repaired;
- Gate work this week is taking place at the Hansen;
- Weed spraying was hampered last week by the wind so they will try to spray this week;
- Trash truck has been down several days for repairs and crews are now trying to catch up by hitting the hot spots in the District;
- Copper sulfate was applied to the Herndon and major laterals on Friday and the Briggs / Central Washington today.

The Maintenance Construction Report covering April 16 through May 15, 2010 was made available.

Mr. Kimura provided and reviewed the list of items tagged to go to auction.

MANAGER'S REPORT

General Manager Gary Serrato reported on the following:

KINGS RIVER WATER ASSOCIATION

Kings River Exhibit "D" Flow

Requirements of Exhibit "D" flows continue to support the lower end of the spectrum which is 130 cfs. Consolidated Irrigation District or Fresno Irrigation District will divert the flows at the Fresno Weir.

Executive Committee Meeting

It was announced at the KRWA Executive Committee that the water rights fees will increase this year. Most of the increase is due to the State cutting it from the General Fund. Fresno Irrigation District's portion of the KRWA assessment is 19% or approximately \$54,000.

KRCD Power Plant

KRCD has forecasted 78 cents per kilowatt-hour for power generation this year. The District should receive approximately \$300,000 for its portion of the power revenue.

External Issues

The External Issues Committee has been temporarily placed on hold. Any issues arising concerning the external issues committee will be handled on an "as-needed" basis.

Senate Bill 7X6 - Groundwater Elevation Monitoring

Staff has met with KRCD to discuss the centralizing of the data that will be required to meet SB 7x6. KRCD General Manager Dave Orth has been appointed to participate in a

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State forum with the Department Water Resources to begin developing the format for reporting.

FRIANT WATER USERS AUTHORITY / FRIANT WATER AUTHORITY

Interim flows on the San Joaquin River have been reduced to 300 cfs.

9(d) Contract Negotiations

This topic will be discussed during Closed Session.

OTHER

DWR and SWRCB Tour

Staff from the Department of Water Resources and the State Water Resources Control Board toured the Jameson Banking Facility (Proposition 50 funds) and Waldron Banking Facility (Proposition 13 funds). It was a very good tour and an excellent opportunity to show case the projects within the Upper Kings Basin and the Fresno Irrigation District.

Mr. Serrato addressed the ACWA Executive Committee at the Fresno Head Gate on the Kings River Fisheries Management Program.

The Joint Powers Authority of the Upper Kings River Water Forum selected both the City of Fresno metering project and the Fresno Irrigation District Jameson Banking Facility to submit for a mini Proposition 50 Grant application. The total application was for \$3.7 million. Should the application be granted for the entire amount, FID's portion would be for \$1 million to install an additional recovery well at the Jameson Banking Facility.

ADMINISTRATIVE MATTERS

a. Employee Benefits

Human Resource Director Regina Davis presented the FID benefits that are currently provided to the District Employees. Currently the District offers CalPERS health insurance, dental/vision, short and long term disability, life insurance, and participation in a 401(k) plan.

DIRECTORS' REPORT

Director Jacobsen – stated he will be attending the Division 4 meeting on May 28th. Director Porter has requested the Water Systems Operators in the area he represents to also attend.

The meeting recessed for a short break at 6:35 pm.

CLOSED SESSION

The Board went into Closed Session at 6:50 pm.

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

Conference with Legal Counsel–Anticipated Litigation (Government Code Section 54956.9(b)). Conference with Legal Counsel – Anticipated Litigation (G.C. §54956.9. Significant Exposure to Litigation pursuant to subdivision (b)): KRWA.

Conference with Legal Counsel–Anticipated Litigation (Government Code Section 54956.9(b)). Conference with Legal Counsel – Anticipated Litigation (G.C. §54956.9. Significant Exposure to Litigation pursuant to subdivision (b)): Nielsen Avenue Property

Government Code Section 54956.8 Real Property Transactions.

Negotiators: Gary R. Serrato and Liberty Christian
Terms and Conditions: Update (Gary R. Serrato)

Government Code Section 54956.8 Real Property Transactions.

Negotiators: Gary R. Serrato, FID and River Cross, Inc.
Properties: APN 015-330-15S
Terms and Conditions: Agreement for Purchase and Sale of Real Property and Escrow Instructions

Closed Session was concluded at 7:39 pm.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Boswell stated there was nothing to report from Closed Session.

ADMINISTRATIVE MATTERS

b. Resolution 2010-10 Contract Between US Government and FID

Staff reviewed and recommended approval of Resolution 2010-10 which approves and authorizes the execution of a contract between the United States and the Fresno Irrigation District to provide for project water service and facilities repayment and authorizing commencement of validation action.

M/S/C/(Jacobsen/Balls) That Board of Directors approved Resolution 2010-10 by roll call vote. (Ayes Neely, Balls, Boswell, Porter, Jacobsen; Nays 0; Absent 0; Abstain 0)

c. Resolution 2010-11 CEQA for Conversion of Contract With US Government, Bureau of Reclamation

Staff reviewed and recommended approval of Resolution 2010-11 finding the conversion of its contract with the United States of America, Bureau of Reclamation from a water service contract to a repayment contract exempt from the California Environmental Quality Act and authorizing filing a Notice of Exemption.

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M/S/C/(Jacobsen/Balls) That Board of Directors approved Resolution 2010-11 by roll call vote. (Ayes Neely, Balls, Boswell, Jacobsen, Porter; Nays 0; Absent 0; Abstain 0)

ADJOURNMENT

President Boswell adjourned the meeting at 7:40 p.m.

Submitted By,

Gary R. Serrato
Board Secretary