

**PATTERSON IRRIGATION DISTRICT
MONTHLY BOARD MEETING
MINUTES**

May 17, 2018

The Board of Directors of the Patterson Irrigation District met in its office at 948 Orange Avenue, Patterson, California for a regular monthly Board meeting. The meeting was called to order at 1:03 p.m. by Vice President Reichmuth.

Directors Present: David Reichmuth, Richard Barbaste, Director Fantozzi, John Azevedo

Directors Absent: Director Prevostini

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| Others Present: | Vince Lucchesi | General Manager |
| | Toni Russell | Board Secretary |
| | Jeanne Zolezzi | Legal Counsel |
| | Pete Butler | Congressman Denham Field Representative |
| | Angel Espinoza | Landowner |

CORRECTIONS OR ADDITIONS TO THE AGENDA:

None

PUBLIC COMMENT:

Pete Butler, Field Representative for Congressman Jeff Denham introduced himself to the Board. Congressman Denham's office is currently working on an issue for the District in regards to Fish Bio.

Landowner Espinoza addressed the Board in regards to a lien placed on their property for assessments not paid by the previous owner. Espinoza stated they had since paid all the assessments current including any late fees and were requesting the Board consider waiving the \$600 fees associated with the lien.

MINUTES:

The minutes of the April 19, 2018 and April 30, 2018 Special Board Meeting were reviewed by the Board.

Director Barbaste made a motion to approve April 19th and April 30th board minutes as received. Second by Director Fantozzi and passed unanimously.

FINANCIAL REPORT:

Secretary/Treasurer Russell gave a report to the Board on bank accounts and fund balances the District holds in investment accounts. The report also included an accounts receivable aging summary report and a detailed list of cash disbursements for April 2018 for Board review. Secretary Russell gave a budget to actual report through April 30, 2018. General Manager Lucchesi stated, the district was currently trending below budget in expenses and above budget for revenue

Director Fantozzi made a motion to approve the April 2018 Financial Report. The motion was seconded by Director Barbaste and passed unanimously.

PRESENTATION AND ADOPTION OF THE 2017 FISCAL YEAR AUDIT:

John Blomberg, CPA with Blomberg & Griffin Accountancy Corp., the Independent Auditor for PID reviewed with the Board the Fiscal Year 2017 Financial Audit Report. Blomberg was on hand to address any questions the Board may have in regards to the Audit. Blomberg reported that the PID once again received an unqualified opinion for Fiscal Year 2017 Audit.

Following a thorough discussion, Director Azevedo made a motion to accept 2017 Financial Audit Report as presented. Second by Director Barbaste and passed unanimously.

CONSIDER APPROVAL OF WATER TRANSFER:

Lucchesi discussed the current water outlook with the Board and probable additional increase of CVP allocation. Lucchesi reported on an offer received from Erick Johnson, for an additional 3,100 acre-feet of PID's CVP allocation to be transferred to landowner's in Westlands Water District. Lucchesi stated, the transfer would be for the 360 acre-feet of 2017-2018 CVP allocation and 2,740 acre-feet of PID's 2018-2019 allocation. The terms of the Agreement would be the same as transfer made earlier in the year.

Following a discussion Director Reichmuth made a motion to approve a temporary water transfer for 3,100 acre-feet of PID's CVP allocation. Second by Director Fantozzi and passed unanimously.

ADOPTION OF RESOLUTION 01-2018 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO COORDINATION AND COST-SHARING AGREEMENTS FOR THE INTERBASIN GSP's OF THE DELTA-MENDOTA SUB-BASIN:

Lucchesi gave a brief background on SGMA mandates and GSA's. Lucchesi reported twenty-four GSA's have been formed in the Delta-Mendota Subbasin. The agencies have been coordinating to develop a coordination agreement pursuant to SGMA, as well as a cost sharing agreement to share the cost of coordination.

In order to facilitate efforts to share in the use of consultants and San Luis & Delta Mendota Water Authority staff to develop information and take actions required for developing a GSP. PID has entered into the San Luis & Delta Mendota Water Authority Northern Delta Mendota Region SGMA Services Activity Agreement. The Activity Agreement has established a Management Committee that meets regularly and well positioned to assist the agency.

It is the recommendation of staff that the Board approve the Coordination Agreement, Cost Sharing Agreement, and the Second Amendment to the Activity Agreement in its substantial form.

Director Barbaste made a motion to approve Resolution 01-2018 authorizing the staff to enter into coordination and cost-sharing agreements for the interbasin GSP's of the Delta Mendota Sub-basin.

Included in the motion Director Barbaste gave staff authority to sign the Amendment to the Activity Agreement provided it is not significantly changed from its original form. Second provided by Director Reichmuth and passed unanimously.

WATER DISTRIBUTION SYSTEM SUPERVISOR'S REPORT:

A verbal report was given to the Board on recent activities and maintenance in the District.

DIRECTORS BRIEFING:

None

MANAGER'S BRIEFING:

General Manager Lucchesi discussed various items that he was working on for the month. Discussion included, installing a water quality sensor at the river station, and development of a purchasing policy for the District.

DRAINAGE COALITION/SB 623 DISCUSSION:

Lucchesi reported the Coalition was requesting a small increase in budget, but possibly would not increase costs to participants. Lucchesi also touched on SB 623, Fertilizer Tax and Municipal Water Tax. Lucchesi stated, ACWA is opposing SB 623, and the Drainage Coalition requested for its members to consider supporting it.

ETHICS AND SEXUAL HARRASSMENT TRAINING:

Lucchesi reported PID would be hosting a Sexual Harassment Training at the District office and requested the Board provide a mutual date to attend. The Board tentatively scheduled the training to be on June 5.

FISH BIO UPDATE:

Pete Butler, Congressman Denham Field Representative gave an update on what their office is doing to help push things forward with the permitting process.

DEL PUERTO CANYON RESERVOIR UPDATE:

Lucchesi reported on a meeting with the Bureau he attended at ACWA in regards to the DPCR. Lucchesi provided a handout from AECOM that provided a breakdown of estimated cost per acre-foot to the District. Lucchesi also mentioned that the feasibility analysis is proceeding.

SGMA UPDATE:

None

USBR 9d CONTRACT DISCUSSION:

Lucchesi stated he had sent out a letter to the Bureau and they have three (3) months to respond.

RESERVE POLICY/PROP 218 DISCUSSION:

Lucchesi presented the Board with a Draft policy in regards to establishment of Reserve Funds, level of funds, and how those funds would be used. Lucchesi pointed out how the reserve policy evolved from a methodology of setting aside a certain number of years operations, to have a more transparent policy on how funds are distributed and managed. The policy will be able to show to landowners within PID as to how much they are subsidized year to year, provide the Board a better nexus on how to decide what the water rates should be for the coming water year, and to choose what the subsidy is based on the previous year's operations rather than an arbitrary projections and a feel as to what is an appropriate rate. In addition to the reserve policy Lucchesi stated the rate study being performed by Raftellis for the District is progressing and he is working with the firm to further refine their modeling of District finances.

WINTER OPERATIONS DISCUSSION:

Lucchesi discussed a Draft Winter Operations, in a dry year scenario, during the winter shut down for the Main Canal Rehabilitation Project. Lucchesi provided alternatives to the board for consideration on the contingency plan to make water available if the winter is dry. The Board made some suggestions to Lucchesi to revise.

ADMINISTRATION AND OPERATIONS REPORT:

A written report was included in the Board packet regarding administration, operations, and construction activities.

Del Puerto and Sperry Avenue Intersection:

Lucchesi reported the pipeline is operational.

Main Canal Rehab:

- Sent 2nd Claim to DWR for reimbursement
- Received the first invoice from Rados for the Project
- Rados has commenced with excavation and the installation of the temporary dewatering wells for the pump station
- Orange Avenue Well has been decommissioned
- Temporary bypass for 2 South is having issues with being able to sustain the minimum flow of 18 cfs. PID staff are working with Rados and Stantec to find an agreeable solution to ensure PID has its desired minimum flow of 18 cfs. As of May 7th, the bypass may work, but further testing needs to be conducted to ensure that things work properly.
- A drawdown schedule was provided by Stantec to show the potential drawdown of funds by Rados during construction of the project.
- Potential Change Orders: (list provided)

CLOSED SESSION:

The Board announced the items that would be discussed in Closed Session. The Board convened into closed session at 3:26 p.m. to discuss the items below:

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)
Property: Water
Agency Negotiator: Vince Lucchesi, General Manager
Under Negotiation: Instructions to Negotiator concerning price and payment terms
- b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Subdivision (b) of Government Code Section 54956.9)
1 potential case

The Board returned to open session at 3:39 p.m. President Azevedo reported no reportable action taken.

With the completion of all agenda items the meeting was adjourned at 3:45 p.m.

Respectfully Submitted,

Toni Russell – Board Secretary

