

# LINDMORE IRRIGATION DISTRICT

## MINUTES OF THE BOARD MEETING

March 13, 2018

### Roll Call and Acknowledgement of Visitors

President Arnold called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, DePaoli, Milanesio

Directors Absent:

Others present: Hagman (GM), Bennett (Analyst), Mauritsen (Counsel), Dustin Swall (Landowner)

### Approval of the Agenda

The agenda for the Joint meeting was presented and the following action was taken:

**Motion: To approve the agenda for March 13, 2018 as provided  
1<sup>st</sup> Milanesio and 2<sup>nd</sup> Brownfield - Motion passed by unanimous vote of those  
present**

### Public Comment

Members of the Public were invited to comment; no comment was provided.

### Minutes

The minutes were presented for the February 12, 2018 Regular Board meeting and the following action was taken:

**Motion: To approve the minutes of the February 12, 2018 Regular Board  
meeting as presented  
1<sup>st</sup> Adam and 2<sup>nd</sup> Milanesio - Motion passed by unanimous vote of those  
present**

### Prior/New Action Items

#### **A. Report on Prior Board actions/discussions**

*Operation and Maintenance Report:* GM Hagman reported on staff operations and maintenance efforts.

*Water Supply Report:* GM Hagman reported on water supply issues in the District.

*District Recharge Efforts:* GM Hagman provided an update on the final basin deliveries.

*District Improvement Projects:* GM Hagman presented the status of the currently approved engineering activities in the District (Groundwater Basin Work, City of Lindsay Exchanges and JB Rehabilitation projects). GM Hagman requested the Board consider spending up to \$30,000 on a “Micro Basin – Well” study site. After considerable discussion the Board decided that GM Hagman should pursue developing a Micro-Basin at the Ireton Pond site using the old 6” Meter. The project should be built in such a way that it does not affect the Ireton Recharge Basin, minimizes silt infiltration or has a way to remove silt, and that he can spend up to \$15,000 of the current budget. This action is within Hagman’s budget authority and no additional budget was approved at this time. Therefore, no formal action was taken. The minutes will reflect the intent of the Board.

*Engineering Bill:* GM Hagman provided a bill from Keller/Wegley for just over \$100,000. At a previous meeting, the Board authorized payment of the “impending” bill in five installments. However, GM Hagman said he would pay for the Proposition 218 effort provided by Keller’s office last year (as this was a bid item for 2017) and then pay the balance of the bill in five installments as follows: the first installment will be in the next accounts payable run (and will go out with the Prop 218 payment noted above) and the next four installments will be made in January at the January Board meeting over the next four years.

## **B. New Action Items**

*Water Allocation and Rate:* GM Hagman explained that the USBR recently allocated 30% Class 1. He noted that this allocation does not include what is currently occurring in the San Joaquin Watershed. Heavy rains and snow will likely increase the District allocation. However, the current leadership in the USBR takes a real conservative approach to allocating supply. A source at the USBR and nearly everyone with interest in the SJR Watershed, clearly believes there is already 50% to 75% Class 1 that will be available. He noted that along with this allocation, the District has also carried over 8,101 AF of Class 1 contract supply. Given that we can make an initial allocation of .85 AF per acre.

For setting the rate, since we expect to have additional increases from the USBR (which would raise our allotment to the grower and therefore our sales of water) GM Hagman suggested we set a rate that assumes the lower deliveries and use of reserves. If the higher allocations come, we will simply use less reserves. Cost of water from the USBR is currently set at \$46 per acre foot. Given that, GM Hagman suggested we set the rate at \$60 AF. Each AF will add \$14 to offset costs. If we do not get increases (above 45%) we will use about \$80,000 in reserves. If we deliver a little over 5,000 more AF (15% more allocation from the USBR) we will cover the difference. In addition, the amount of revenue generated by the FPA plants will also increase. The Districts current approved rate (May 2016) is \$200.00 per acre foot. A temporary reduction to the rate does not require any action from the District rate payers. Setting the rate lower than the approved rate will just require Board action.

In summary, GM Hagman asked the Board to consider setting the grower allotment at 0.85 AF per acre and the District base water rate at \$60.00 AF. He noted that there are additional charges on some water due to pumping or water use types. He is not recommending any changes to those rates from the past. After substantial discussion, the following action was taken:

**Motion: To set the initial grower allotment at 0.85 AF per acre at a base cost of \$60.00 per acre foot of water plus \$10.00 per AF for pumped water.**

**1<sup>st</sup> DePaoli and 2<sup>nd</sup> Adam - Motion passed by unanimous vote of those present**

*Friant Water Authority Agreement for Recirculated Water:* GM Hagman explained that the FWA has established conveyance agreement with the Banta-Carbona and Patterson Irrigation District's for use of their San Joaquin River facilities to capture flows released from Friant Dam, and not required for flow requirements, and to move those recaptured supplies into San Luis Reservoir. The agreement we are making commits us to pay FWA the costs of the conveyance of this recaptured water to San Luis Reservoir.

With the water in SLR, we would then need to make additional deals to get the water over here to be used in the District. There will be additional costs to get that water here. GM Hagman said he does not have a particular deal for getting it over here, but the water could be used as a revenue generator. He believes there will be South of Delta buyers that will pay more for the water than we have paid to get it to SLR. GM Hagman recommended that the authorize the agreement and authorize him to sign the agreement. After some discussion the following action was taken:

**Motion: To approve the form of agreement with FWA for the payment of recaptured water and to authorize GM Hagman to sign the agreement and develop actions to take care of the water asset.**

**1<sup>st</sup> Milanesio and 2<sup>nd</sup> Brownfield - Motion passed by unanimous vote of those present**

*Miscellaneous administrative items:* GM Hagman noted no accidents and no loss time injuries/illnesses at the District this past month.

- C. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

**Motion: To ratify the payments made to pay the bills as follows:**

**A/P Checks (numbers 12826 – 12858) for February 13, 2018 to March 13, 2018 in the amount of \$298,241.34, and payroll for February 2018 in the amount of \$71,603.87 for a total disbursement of \$369,845.21.**

**1<sup>st</sup> Adam and 2<sup>nd</sup> DePaoli - Motion passed by unanimous vote of those present**

#### **D. Financial Reports**

Analyst Bennett reviewed the financial reports and investments with the Board.

## **Reports and Discussion on meetings attend or other water related business reports:**

*Administrative Report:* GM Hagman noted he had nothing to report.

*FWA Issues* –Director DePaoli and GM Hagman reported open session items of the FWA. Vice President DePaoli reported that he had commitments that will likely conflict with future FWA meetings. He asked that the Board consider a replacement for him. Director Brownfield indicated he would be willing to take on the meeting in the short term and the Board could discuss it at the next meeting.

*Friant Power Authority (FPA)* – President Arnold, Director Brownfield and GM Hagman reported on FPA activities.

*East Kaweah Groundwater Sustainability Agency (EKGSA)* – Director Milanesio and GM Hagman reported on EKGSA activities.

*Report on Other Meetings/Issues:* GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

*Meetings Attended/to Attend:* GM Hagman reminded the Board of the meetings they have between today and the next Board meeting.

*Board Assignments:* GM Hagman reported that the Board should consider who is assigned to other outside meetings. The FWA Board representative is taxing and Director DePaoli has been doing it for several years now. After considerable discussion the following assignments were made by President Arnold:

FWA Board – Director Brownfield (Alternate All)  
FPA Board – President Arnold (Alternate All)  
FWA Finance Committee – Director Adam (Alternate DePaoli)  
FWA HR Committee – Director DePaoli (Alternate Milanesio)  
FWA O&M Committee – Director DePaoli (Alternate Adam)  
EKGSA Board – Director Milanesio (Alternate Brownfield)

## **Closed Session:**

- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
[Government Code Section 54956.9(d)(1)] City of Fresno, et al. v. United States of America, Court of Federal Claims, Case No. 16-1276L
- Employee Evaluation – General Manager (Government Code Section 549579)

The Board went into closed session at 3:22 PM and came out at 3:48 PM. President Arnold reported that there was no reportable action taken in closed session.

## **Contract Action**

Board reviewed the draft employment agreement provided by GM Hagman. GM Hagman noted the changes from the prior agreement that were approved at the February meeting. The Board asked Counsel Mauritson if the agreement was legally appropriate. She said it was. After some discussion the following action was taken:

**Motion: To enter into the five-year employment agreement as provided with Michael D. Hagman an effective date of January 1, 2018 through December 31, 2022 to be signed by all directors and Hagman and placed in Hagman's personnel file and a copy sent to Legal Counsel for District file.**

**1<sup>st</sup> Brownfield and 2<sup>nd</sup> Adam – Motion passed by unanimous vote of those present**

**Correspondence Report:**

None

**Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)**

No other items were discussed.

**Adjourn**

There being no further business to come before the Board, President Arnold asked for a motion to adjourn: Motion to adjourn (Adam/Brownfield) carried by unanimous vote of those present. Meeting was adjourned at 4:05 pm.

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Michael D. Hagman  
District Secretary