

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
12th DAY OF MARCH 2013 AT THE HOUR OF 9:00 A.M.**

Call to Order:

Directors present at the meeting held at the date and time above designated were President David Bixler, Vice President Rick Borges, Mike Thomas, Scott Rogers and Dave Martin. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Wayne Fox, O&M Superintendent; Marco Crenshaw, Watermaster and Aaron Fukuda, Engineer. Others in attendance were Alex Peltzer, District Counsel, Andy Sells, CEO of the ACWA/JPIA, Gavin O'Leary of Provost & Pritchard, and Adam Ennis, Jim Ross and Kim Loeb of the City of Visalia. The meeting was called to order by President Bixler.

Public Comments:

Mr. Sells was introduced and he thereupon described the several insurance programs offered by the JPIA and for which the District has a policy. He then presented the District with a check in the amount of \$99,884 representing a refund of past years' premiums that reflect the District's nominal loss history in several such programs.

Closed Session:

The Board then adjourned to a closed session per Gov't. Code §54956.9(b). There were no actions taken in closed session and the Board thereupon returned to open session.

Approval of Minutes:

Director Bixler then noted that the minutes of the special meeting held February 25, 2013 had been distributed and asked if there were any errors or omissions noted therein. One error regarding finance reports was noted and, upon the motion of Director Martin and second by Director Borges, the minutes of the meeting were thereupon approved as corrected.

Watermaster Report:

Lake Kaweah Operations and Supplies - Mr. Crenshaw indicated that about 31,000 AF is retained in storage in Lake Kaweah and that 45,000 AF was in storage at this time last year. He then reviewed the supplies allocated and in storage from the Friant system and Lake Kaweah noting that, unless the dry pattern changes for the better, a five to six-week irrigation run will be likely along with a possible pro-rate of the limited supply. He also addressed the two flushing events of the Friant-Kern Canal conducted in cooperation with the FWA.

2013 Water Supply Outlook - Mr. Crenshaw next went over the rainfall to-date and snow depths in the local watersheds. He cited rain at the District yard at 66% of average to-date. Next he presented tabular data and charts depicting the snow depths and water content within the Kaweah and San Joaquin watersheds obtained from the latest snow course runs, citing 40% and 59% of April 1st averages for those two basins, respectively. Mr. Crenshaw concluded with a comment that the prevailing outlook amongst meteorologists is a continued dry pattern into May.

O&M Superintendent Report:

Routine Work, Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month in the delivery system and within upstream diversion channels. He noted that tree-trimming and invert dredging is ongoing in the canal and ditch system. Weed control has now shifted to contact herbicides from the earlier pre-emergent program. In regards to construction, Mr. Fox noted the perimeter fencing and gate installation plans at the Swall Basin project.

Treasurer Reports:

Approval of Financial Statements - Mr. Hendrix brought to the Board's attention the financial statements for the month of February 2013 for their review and consideration. He first reviewed the statement of revenue and expense, citing revenues totaling \$39,194 for the month and then reviewed expenses totaling \$876,076, noting some of the exceptional line items therein. Mr. Hendrix then mentioned that the net asset and cash flow statements, as well as the investment report, are also available as presented for the Board's review.

Approval of Bill Payments - Mr. Hendrix next presented the list of bills submitted for ratification and approval by the Board. He noted the payment of \$556,750 to LSID per the 2013 agreement therewith, Serpa Ditch pipe purchase costs, and the residual payment to USBR for 2012 contract supplies and carryover charges. Mr. Hendrix and other staff then engaged in answering questions from the Board on certain bill payments. By the motion of Director Borges and second by Director Martin, the Board accepted the financial statements and check nos. 43593 through 43653 totaling \$812,457.32 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Exchange with Sun World - Mr. Hendrix summarized some of the activities and efforts to bring about a long-term exchange program with Sun World for its winter and summer excess supply from Rayo WC. He noted the preparation of a draft agreement to stipulate terms and conditions and meetings with USBR to seek its approval. He also noted the concern of Wutchumna WC in the historical Rayo WC spill of surplus WWC water into Antelope Creek in the absence of any directive by Sun World to convey its water elsewhere. He added that a meeting with Paramount representatives, the underlying shareholder of the Rayo WC water supplies, has been scheduled for later in the month.

City of Visalia Water Exchange Program - Mr. Fukuda reviewed the completion of several reports by the Calif. Water Institute of CSUF regarding water quality impacts associated with the use of tertiary-treated water from Visalia. He indicated that the favorable findings of the reports were presented by a CSUF representative at two landowner meetings held earlier in March. Questions from water users in the Evans Ditch system receiving this potential water supply were fielded by staff. Mr. Fukuda stated that there were no major areas of concern expressed by those in attendance. Mr. Hendrix then summarized the process by which USBR is to review and approve the proposed exchange. He made mention of a key issue in this process, that being whether USBR will view the program as an exchange or a transfer, the latter calling for the application of M&I rates for Friant water transferred to Visalia for groundwater recharge.

System Optimization Review - Mr. Fukuda then introduced Mr. O'Leary, noting that the SOR work included some preparatory efforts to enable the District to utilize a Geographic Information System (GIS) for several planning and engineering applications. Mr. O'Leary thereupon summarized the capabilities of GIS, how such a computer mapping system may be of benefit to the District, and the support services available from Provost & Pritchard.

Matters for Consideration of Board Action:

LSID/TID Water Exchange - Mr. Hendrix explained that, while the Board approved execution of the long-term and 2013 water exchange and management agreements with Lindsay-Strathmore ID at its February board meeting, the minutes of said meeting do not reflect any Board action thereon. He thus indicated a need to formal action ratifying execution of said agreements. The President thereupon called for a motion and it was then moved by Director Thomas and seconded by Director Martin to ratify execution of these agreements. Mr. Hendrix

next summarized and presented information regarding the inter-relationship of the final Friant allocation and allotments of Friant supply to LSID recaptured in San Luis Reservoir on the distribution of revenues to the District and LSID from the sale of such water.

Resolution No. 13-02 - Mr. Hendrix explained that support is being solicited from San Bernardino Valley WCD for its board member, Melody McDonald, as a candidate for the ACWA/JPIA Executive Committee, and that Ms. McDonald has served well in this capacity in prior terms. Upon the motion of Director Borges and second by Director Martin, duly put and carried, Resolution No. 13-02, concurring in the nomination of Melody McDonald to the ACWA/JPIA Executive Committee, was adopted.

Execution of Agreement with Visalia - Mr. Hendrix stated that the water exchange agreement with the City of Visalia is now ready for final review and consideration for execution by the Board. He then summarized the salient provisions of the agreement, noting the minimum and maximum delivery quantities to the District, the City's obligations with respect to obtaining a RWQCB permit, the 2:1 exchange ratio, new turnout construction by the City in the Main Intake Canal, City payback operations and limitations, optional water purchases by the City of District Friant supplies, and the initial 20-year term of the agreement. After Board discussion and input from staff and City representatives present at the meeting, it was moved by Director Thomas and seconded by Director Martin, to authorize execution of said agreement with the City.

Resolution No. 13-04 - Mr. Hendrix then indicated that the District, as a responsible agency for the City of Visalia's EIR for the treatment plant expansion and proposed exchange program with the District, needs to concur with the City's finding in the EIR. By the motion of Director Martin and second by Director Thomas, duly put and carried, Resolution No. 13-04 approving said exchange and CEQA findings of the City, was adopted.

Resolution No. 13-03 - Mr. Hendrix then presented the Board with a resolution expressing appreciation for the long tenure of retiree Richard Beall while employed with the District, noting that said resolution was to be presented to Mr. Beall at his upcoming retirement gathering. Upon the motion of Director Rogers and second by Director Thomas, duly put and carried, Resolution No. 13-03, expressing appreciation for Mr. Beall's service to the District, was adopted.

Board Member Report of Meetings:

Director Bixler asked if any Directors have reports on meetings they attended or wished to discuss at this time.

Directors Martin and Borges proceeded to summarize the conduct of the Kaweah Sub-watershed Coalition and K&SJRA board meetings held on March 7th. He mentioned discussions regarding a new entity to assume the Coalition duties and RWQCB General Order anticipated for June 2013. Director Borges also noted that the Association may seek a new liability insurance carrier.

Director Borges next noted the highlights of the last Friant WA board meeting held on February 28th. He cited the USBR water supply report, ACWA report, Delta Plan update, and candidate support for open SWRCB board vacancies.

Director Thomas lastly noted the highlights of the Wutchumna WC board meeting held February 13th. He made note of an assessment of \$250 per share, a new insurance carrier (Turner & Assoc.), and results of studies evaluating the feasibility of a low-head hydro plant at the Bravo Lake spillway.

The Board then adjourned to a closed session per Gov't. Code §54956.8 and §54956.95. Upon returning to open session the Board authorized staff to pay the claim submitted by Verizon in the amount of \$457.46

for a severed communications cable caused by District personnel along Road 20.

There being no other items to come before the Board of Directors, the meeting was adjourned.

J. Paul Mendryk
Secretary

David S. Butler
President