

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
12th DAY OF APRIL 2016 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; Kathi Artis, Controller and Treasurer; Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; and Marco Crenshaw, Watermaster. Also present were Richard Zack, history consultant and Don Wright, a representative of Renewable Resources Group. The meeting was called to order by President Bixler.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held March 8, 2016 had been distributed and asked if there were any errors or omissions noted therein. With none brought forth and by the motion of Director Borges and second by Director Rogers, unanimously carried by all board members present, the minutes of the meeting were thereupon approved as presented.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw made mention of the current irrigation run and Lake Kaweah now holding 77,000 AF. He went on to say that a flood evacuation release began on April 4th, but that the river Units generally were ordering water based on irrigation demands, thus little was being refused and reallocated. He added that TID's river diversions were made up of its Wutchumna supplies, which diversions were ending as of today. Mr. Crenshaw anticipated the irrigation run to end around April 21st, when the District's current Friant allotments were used up. He noted too that demands were unexpectedly high for April, and that diversions have been as high as 725 cfs.

Mr. Crenshaw then reported on current water supply conditions and summarized the current Friant supply allotments, including those from Lindsay-Strathmore ID on an exchange basis. He indicated a current total supply of 55,000 AF, and emphasized that the net of exchange water owed to and from the District is uncertain and dependent on future Kaweah and Friant supply additions that are anticipated.

Mr. Crenshaw next reviewed diversions to-date, and then cited rainfall to-date at the District yard as being 107% of average. He cited snowpack estimates and projected April-July runoff numbers of 72% and 75% from the Kaweah and San Joaquin watersheds, respectively.

Terminus Hydropower Operations - Mr. Crenshaw reported that 200 MW-Hrs had been generated from Terminus Unit No. 1 as of April 9th and presented a graph of daily power generation since last December.

Water Sale Rate - Mr. Crenshaw stated that the standing water sale rate is \$25/AF, set last winter in anticipation of Kaweah surplus water releases. He noted the prior years' summer unit rate has been \$33. Discussion thereupon ensued as to the rate-setting process amongst the Board. Director Thomas inquired as to water sale revenue collection relative to actual water costs, which topic received further discussion. Upon the motion of Director Martin, second by Director Thomas, unanimously carried by all board members present, the

water sale rate was established at \$33/AF, said new rate to apply after the cessation of the current irrigation run in late April.

Water Management Activities - Mr. Hendrix brought up the Visalia water exchange program and the District's anticipation that deliveries of Friant water to the City would precede the receipt of tertiary-treated water from the new waste water treatment plant. He noted the lack of Friant surplus supplies with which to begin such deliveries to the City the last several drought years, but that the current allocation of Class 2 water may provide such an opportunity. The Board discussed the exchange and the need to initiate deliveries to the City in accordance with the exchange agreement therewith. Mr. Hendrix indicated that the City had been notified of pending surplus water conditions last winter, and that Packwood Creek was identified as the first choice by the City to receive water. The Board indicated its support for deliveries of surplus Friant water to be routed to Packwood Creek and devoted to City recharge purposes, and to also test the operation of new water control and telemetry equipment recently installed in the Creek.

O&M Superintendent Report:

Routine Work, Outside Work and Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month in the delivery system and within upstream diversion channels. He began with making reference to the first quarter O&M report, and proceeded to summarize its contents. He reviewed safety practices, including mandated kit fox awareness training for the Cordeniz Basin construction site. He then reviewed maintenance and repairs, weed control applications, and turnout construction projects on the Bender and Northwest ditches. Mr. Fox added that preparations are underway for the Cordeniz Basin project.

Acquisition of Ditchtender Trucks - Mr. Fox noted that pickup truck replacements for the ditch-tending fleet have not occurred since 2011 due to drought conditions. He presented the Board with pictorial representations of the older ditch-tending trucks slated for either auction sales or application elsewhere in the District fleet, as well as prices on new replacement trucks. After further discussions regarding truck manufacturers and their merits, it was approved by the motion of Director Martin and second by Director Thomas, unanimously carried by all board members present, to purchase two Ford F-150 pickup trucks from Will Tiesierra at a total cost of \$47,700.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of March 2016 for the Board's review and consideration. She cited total income for the year-to-date of \$183,953, calling out several components thereof. She then reviewed major expense items for the year totaling \$1.35 million to-date. With the inclusion of principal payments on the USBR contract pay-out loan and capital outlay, she stated that the net loss was \$1.44 million. Ms. Artis next reviewed the statement of cash flows, citing \$10.2 million in cash as of March 31st. She then proceeded to call out pertinent line items in the statement of net assets.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.18% in the Tulare County pooled fund, .47% at the state LAIF, and 1.0% with CalTrust. She also referred the Board to the graphical depiction of such investment rate trends since 2008. Ms. Artis lastly indicated that the District's possesses sufficient cash to cover six month's expenses.

Approval of Bill Payments - Ms. Artis next presented the list of bills

submitted for ratification and approval by the Board, and highlighted several such bills. Director Borges asked about higher-than-normal encroachment charges paid on behalf of Tulare Irrigation Co., to which Mr. Hendrix noted that this cost was driven by USCE's budget cycle and billing to KDWCD. By the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 47170 through 47342 totaling \$426,010.72 were all either ratified or approved as paid, exclusive of any voided or withheld checks. Lastly, Director Thomas inquired as to the cost of continuing to rent an excavator as opposed to maintaining one in the equipment fleet. Mr. Fox indicated that he will undertake such comparisons for further discussion with the Board.

2015 Audit Process - Ms. Artis then made mention of the auditor's scheduled field visit on April 22nd, and that only one such day at the office will likely be necessary.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix summarized the status of the ongoing Mid-Kaweah GSA activities. He noted that the GSA has retained the firm of GEI Consultants to undertake the foundational work for future preparation of a groundwater sustainability plan. He also noted that appointments to the GSA's advisory committee had been made and the committee's first meeting is scheduled for April 28th. Mr. Hendrix also reviewed the basin boundary request being made by Corcoran ID, and the letter of support issued by the District on the matter.

Proposed New Turnout - Mr. Fukuda then outlined the request of J. Simas for the installation of a turnout on the Little Tulare Ditch and presented a map depicting the location. He discussed the reasons to install the turnout to serve about 70 acres, and that Cal Trans plans to remove the J Street onramp to northbound Hwy 99 may render a service connection to this parcel more difficult later after such work by the state. The Board expressed support for proceeding with the project as described.

History Book - Mr. Hendrix reviewed the editing, layout and publishing cost budget to-date, and then discussed example pricing determinations for distribution of the book after publication. The Board expressed support for a pre-order price to apply prior to printing, with a higher price thereafter. Support was also indicated for reduced prices for would-be buyers such as landowners and employees. It was further agreed that Mr. Zack should be able to buy copies of the book for his own distribution at cost.

Matters for Consideration of Board Action:

Resolution No. 16-02 - Mr. Hendrix reviewed the most recent proposed changes to the Friant WA joint powers agreement, stating that the new executive director was desirous of eliminating the formal structure establishing the advisory committee and its being subject to the Brown Act. He noted that the subject resolution would acknowledge the District's concurrence with the proposed changes. By the motion of Director Martin, second by Director Borges and unanimously carried by all board members present, Resolution No. 16-02, concurring with the proposed changes to the Friant WA joint powers agreement, was adopted.

Resolution No. 16-03 - Ms. Artis then summarized the periodic amendments to the District's retirement plan necessary to remain compliant with IRS regulations. She indicated that several such amendments were brought forth by the District's plan administrator. By the motion of Director Thomas, second by Director Rogers and unanimously carried by all board members present, Resolution No. 16-

03, amending the District's retirement money purchase plan and trust, was adopted.

Board Member Report of Meetings:

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

Director Borges thereupon summarized the content of the March 24th meeting of the Friant WA board. He noted topics of discussion including water supplies, budget and general member call for funds, plans for a Washington D.C. visitation, equipment purchases, and a strategic plan review soon to be underway.

Director Borges next reviewed the April 7th meetings of the K&SJRA and KBWQA, noting water supply projections, SGMA updates and, at the latter meeting, grower reports and status of the annual budget.

Director Bixler then summarized the highlights of the March 8th meeting of the MKGSA and ACWA's board workshop on March 25th, at which support was given to the formation of an agricultural task force.

Director Thomas then recounted the matters dealt with at the March 9th meeting of WWC, which included a net assessment of \$375, property dealings with Cal Trans adjacent County Hwy 216 near the Wutchumna Ditch headworks on the Kaweah River, and groundwater sustainability agency discussions taking place in the basin's east side.


Director Martin then provided an additional report on the KBWQA meeting held on April 7th. He mentioned the Alta ID report on nitrate improvement projections given at the San Joaquin Valley Water Quality Authority recently, these being extremely protracted.

Closed Session:

The Board then adjourned into closed session in accordance with Gov't. Code §54956.9(a). Upon return to open session it was reported that the Board authorized District legal counsel's execution of the settlement in the case "Friant et al v. SWRCB, Placer County Superior Court Case No. SCV-003169."

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


Secretary


President