

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
31st DAY OF MAY 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, Scott Rogers, and Dave Martin. Director Mike Thomas was absent. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller and Treasurer; Aaron Fukuda, Engineer; Wayne Fox, O&M Superintendent, and Marco Crenshaw, Watermaster. Also present was Alex Peltzer, District Counsel.

Public Comments:

There were no comments from any members of the public in attendance.

Watermaster Report:

Mr. Fukuda first provided an update on the USCE outlet gate outage at Terminus Dam. He said that the gate equipment is now operable and will be able to be used in conjunction with KRPA's power plant penstock and discharge pipe. He indicated that no proration of flow capacity to the Kaweah Units is thus anticipated this summer.

Mr. Crenshaw then commenced to outline the current operations at Lake Kaweah, noting inflow is at 1,100 cfs and rising. A peak of about 2,000 cfs was reached last week. He then summarized the CVP and Kaweah supplies available to the District, including exchange obligations with LSID and KTWD. Mr. Crenshaw indicated that he anticipates about 49,000 AF to be available for the summer run, and maybe more should additional Friant allocations be forthcoming from USBR. Mr. Hendrix added to the discussion, noting that with the Settlement's Restoration Flow obligations and specter of a call on Friant water to meet Exchange Contractor demands in future years, late-season allocations to the Friant Division can be anticipated.

Mr. Crenshaw further noted that the limited summer supply will be pro-rated to growers at 0.4 AF per acre, and that orders are anticipated to require diversions up to 800 cfs in the Main Intake Canal at Rocky Ford. He also noted that the irrigation run would be about five weeks in duration. Board discussion then turned to the starting date for the run. After considering grower needs and irrigation cycles, the possibility of late Friant allocations and other factors, the Board determined that the start date should be on or about June 15th, and directed the Watermaster to so notify District water users.

Legal Counsel Report:

Mr. Hendrix first noted that assessment and water sale rate discussions have been held with the Board in the past, but that income sources over the last period of years has sustained District reserves at an adequate level. He added, however, that the recent drought period and growing cost of water has made the consideration of rate hikes more immediate. Mr. Peltzer then proceeded to describe the process by which a public district may proceed to raise fees and charges. He distinguished between such fees as being property-related or for services provided but not required. He summarized the distinctions between the two types of charges, including landowner elections and protest opportunities in certain situations.

The Board discussed the assessment and water sale rate-setting process and acknowledged the near-term need to consider increasing

the District's water sale rate. Mr. Hendrix added that landowner meetings, newsletter articles and other forms of outreach will be needed to lay the groundwork to justify and obtain support for such increases. He then noted that budgetary information depicting future revenues and expenditures will be presented to the Board in the near future which should shed light on the level of rate increase necessary to cover future O&M expenses.

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

J. Paul Hendrix
Secretary

David G. Butler
President