

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
11th DAY OF JUNE 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; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; Marco Crenshaw, Watermaster; Aaron Fukuda, Engineer and Beth Holmes, Assessor-Collector. Also present were Jim Koontz, District Counsel, and Dick Moss and Dennis Mills of Provost & Pritchard Consulting Group. The meeting was called to order by President Bixler.

Public Comments:

There were no comments from any members of the public in attendance to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held May 14, 2013 had been distributed and asked if there were any errors or omissions noted therein. Upon the motion of Director Borges and second by Director Rogers, the minutes of the meeting were thereupon approved as presented.

Closed Session:

The Board adjourned to closed session per Gov't. Code §54956.8 and §54956.9(b). There were no actions taken in closed session and the Board thereupon returned to open session.

Watermaster Report:

Lake Kaweah Operations and Supplies - Mr. Crenshaw indicated that Evans DC will be running water through mid-July. He added that Lake Kaweah storage is dropping and currently stands at 88,900 AF with the release at 815 cfs.

2013 Water Supply Outlook - Mr. Crenshaw next stated that Friant transfers to others have depleted most of the District's 50% Class 1 allocation. He added that Kaweah supplies are being devoted to meeting LSID's needs this year and that projected Kaweah entitlement is originating mostly from PCA's exchange supply.

Water Management Activities - Mr. Hendrix then summarized the water transfers and exchanges being pursued to make use of the District's 2013 water supplies in the aftermath of the Board's decision in May to not hold a summer run due to drought conditions and greatly reduced Friant and Kaweah supply allocations. He reviewed a table in which exchanges and transfers to Madera ID, Lindmore ID, Kern-Tulare WD and Westlands WD will take up the uncommitted Friant Class 1 supply as well as projected Interim Flow water to be credited in San Luis Reservoir, and an exchange to Persian-Watson DC plus other potential sales/exchanges that will utilize available Kaweah water. He noted that, all in all, future exchange paybacks will result in a net exchange ratio of about one-to-one, along with an influx of net sale revenues totaling about \$4.2 million. Upon further discussion of the exchange and sale program, it was the Board's directive that all such revenues be added to the District's groundwater replenishment reserve fund and be committed to supplemental water purchases in future years.

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 listed work being done to improve operations at the Cordeniz basin leased property, a culvert crossing at

the Northwest Basin, flat-bed truck repair, and dredging in the Anderson Basin. Mr. Fox noted too the clean-up work around the District yard and adjacent landscaping.

He and Mr. Fukuda summarized the wrap-up work underway to complete the Swall Basin project, naming a flow connection between cells 1 and 3, electrical work for SCADA equipment, and planned perimeter fencing around the property.

Purchase of Flat-Bed Truck - Mr. Fox stated that he convened a meeting of the Equipment Committee to discuss the purchase of a flat-bed truck to function primarily as the concrete and tool storage truck for construction projects. He described the high number of hours on the current concrete truck and its small bed size for multiple purposes. He also described the retrofits and truck rotations planned with the addition of such a truck. It was the Committee's recommendation that Mr. Fox garner additional information regarding the cost of new and used trucks suitable for the intended purposes, and the Board concurred with this recommendation.

Treasurer Reports:

Appointment of Treasurer - Mr. Hendrix noted that, with the departure of the former Controller/Treasurer and hiring of Kathi Artis as the District's new Controller, it was his recommendation that Ms. Artis be appointed to this officer position. With the motion of Director Martin and second by Director Borges, Kathi R. Artis was appointed as Treasurer of the District and that she, as such, be an authorized representative in conducting business with local banking and investment institutions with which the District is affiliated.

Approval of Financial Statements - Ms. Artis brought to the Board's attention the financial statements for the month of May 2013 for their review and consideration. She first reviewed the statement of revenue and expense and noted its format being different from previous such statements. She highlighted several line items therein, and then proceeded to review the net asset and cash flow statements. Ms. Artis lastly presented the amortization schedules for the USBR capital loan and Main Intake Canal project loan, noting that one final payment remains on the latter.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. She highlighted revenues being received from two farm entities within Westlands WD for water transfers thereto. A number of questions regarding the payments were asked by the Board and explained by staff, and Mr. Hendrix laid out the details regarding the IRS charges and penalties levied for tax year 2010 and associated payment of \$11,673. By the motion of Director Borges and second by Director Thomas, the Board accepted the financial statements and check nos. 43938 through 44027 totaling \$435,586.40 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

System Optimization Review - Mr. Moss introduced the topic and summarized the strategic planning process and work products to-date. He summarized the two key priorities identified earlier by the Board which were water supply vulnerability and conveyance system improvements as well as the project categories that emerged from the screening process. He then turned to Mr. Mills, who reviewed the particular projects under closer study. Mr. Mills described in more detail the design concepts for Main Intake canal projects, Area Pipeline replacements, and new recharge basins. Mr. Mills concluded with his mention of a special board meeting on June 24th for action on the final SOR report to be submitted to USBR.

SJRRP Part III Grant Award - Mr. Fukuda briefed the Board on the District's grant award of \$1.95 million for a project that encompasses the Cordeniz recharge basin, a Friant water exchange program, and a study and plan for expanding conjunctive use recharge capabilities within the District. He indicated that more details of the grant and project

obligations will be presented prior to any Board decision to execute the grant contract with USBR.

Matters for Consideration of Board Action:

Resolution Nos. 13-05, 13-06 - Mr. Hendrix noted his periodic service on the ACWA Region 7 board and President Bixler's interest to also serve in such capacity. He also explained the need for the adoption of resolutions expressing support for the nomination of any District candidates to such positions. By the motion of Director Martin and second by Director Thomas, duly put and carried, Resolution Nos. 13-05 and 13-06, supporting the nominations of J. Paul Hendrix and David G. Bixler to the ACWA Region 7 board, were adopted.

Resolution No. 13-07 - Mr. Hendrix thereupon noted the upcoming November local election for District Divisions 1 and 2 Director seats. Such an election, if needed, is to be merged with the county-wide election for other special district elective officers. By the motion of Director Borges and second by Director Martin, duly put and carried, Resolution No. 13-07 consenting said election to county-wide consolidation, 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.


Director Borges proceeded to summarize the conduct of the Kaweah Sub-watershed Coalition and K&SJRA board meetings held on June 6th. He stated that, in the end, the judge presiding over the RWQCB general order CEQA lawsuit concluded the order can stand, this despite his earlier tentative conclusions. He also noted that the Kaweah Sub-watershed group will proceed post haste with its transition of administrative and compliance duties from the Association to an outside party. He then noted that a new KDWCD employee, Terry Stafford, has been recently hired with the intent to phase into management of the KRPA.

Director Borges next summarized the conduct of the KRPA's quarterly meeting held on May 15th, highlighting the new staff member, minimal energy generation, and the express intent of the board to draw from reserves to cover budgeted expenses this year in the likely event SCE revenues are insufficient to do so. He also made mention of ongoing power enhancement projects and staff's analysis of solutions to the Wutchumna WC Ragle automatic gate malfunction.

Director Thomas lastly made mention of concerns expressed by Wutchumna WC over recent efforts of private energy companies to file for low-head hydropower generation on various water works facilities. He named the Bravo Lake diversion structure and spillway as a likely candidate site for such a filing.

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


Secretary


President

