

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE TULARE IRRIGATION DISTRICT HELD ON THE  
9<sup>th</sup> DAY OF AUGUST 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, Mike Thomas 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 was Alex Peltzer, District Counsel, Scott Kuney, Special Counsel (via teleconference), Don Wright, a representative of the Renewable Resources Group, Joe Mastro of Cuttone & Mastro, and Jason Phillips, Chief Executive Officer of the Friant WA. The meeting was called to order by President Bixler.

Public Comments:

Mr. Phillips was introduced and he thereupon proceeded to summarize his prior career with USBR. He explained his approach with FWA in terms of building relationships with other decision makers that can have influence on Friant water supplies, and drawing upon these relationships in a collaborative way to solve problems. Mr. Phillips also brought up the dire situation in the Sacramento-San Joaquin Delta in terms of fishery health and water export operations. Director Martin asked about any efforts to deal with upstream pollutant discharges and inadequate water supplies for the San Joaquin Valley environment, after which some dialogue on the subject matter ensued.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held July 12, 2016 had been distributed and asked if there were any errors or omissions noted therein. There being none, by the motion of Director Borges and second by Director Martin, unanimously carried by all board members present, the minutes of the meeting were thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with noting the peak storage at Lake Kaweah being about 165,000 AF, drawn down in rapid fashion to 17,500 AF at present. He noted that the Friant Class 1 allocation ended up at 75%. He then summarized the operations and water accounting to bring to closure the summer irrigation run, which totaled 91,000 AF in diversions into the District's system. Mr. Crenshaw noted total diversions for the April-August period were 71% of the historical average, and that sales to Water Users were 62% of the amount diverted in July.

Terminus Hydropower Operations - Mr. Crenshaw then showed the Board a graph of releases at Terminus Dam v. power production during the year, noting that 1,259 MW-Hrs of electrical energy have been generated thus far.

Water Management Activities - Mr. Hendrix summarized the process by which USBR has considered the disposition of Unreleased Restoration Flows over time, including conducting exchanges with Friant contractors for some of this supply. He noted that, while the District had previously articulated an exchange approach acceptable to USBR, other exchange proposals, namely those of Orange Cove ID, Arvin-

Edison WSD and Fresno ID, were approved for 2016. Mr. Hendrix indicated that a total of 18,000 AF of URF supply will be delivered to these districts this year for delivery or for carryover into next year.

Closed Session:

The Board adjourned to closed session per Government Code §54956.9(b), and then returned to open session with no reportable actions taken.

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 summarized activities such as turnout and wash-in repairs, and fixing of an Area Pipeline leak. He also highlighted storm water basin rehabilitations done for the City of Tulare. Mr. Fox then made note of the upcoming work to be undertaken to construct the Cordeniz Basin and the need to bring aboard two temporary employees to assist with this construction effort.

Used Tool Truck Purchase - Mr. Fox thereupon reviewed his search for a used truck to replace both the utility truck and polecat truck. He noted that the current polecat truck is not in CARB compliance. He then described Ford F450-550 series trucks going up for auction at Ritchie Brothers later in the month, and that a offer of no more than \$30,000 should secure one of these trucks. The Equipment Committee members indicated their support for this plan and by the motion of Director Martin, second by Director Thomas and unanimously carried by all board members present, approved making an offer of up to \$30,000 for a truck of the size as described.

Treasurer Reports:

2015 Financial Statements and Audit - Mr. Mastro thereupon presented the audited financial statements for 2015 and audit report for the period 2014-15. He first reviewed a new addition to the report, that being a statement of water exchange transactions. Mr. Mastro next reviewed the statements of net position and change in net position, the management discussion & analysis, the statement of cash flows, and finally the notes to the financial statements. Mr. Mastro indicated that no issues of concern arose with his firm's review of the District's financial records for the subject period nor interactions with District staff. Upon the motion of Director Borges and second by Director Martin and unanimously carried by all board members present, the financial statements and audit report for 2014-15 were accepted.

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of July 2016 for the Board's review and consideration. She cited \$3.23 million in revenue for the year to-date, said amount being 37% of the annual revenue budget. She next highlighted expense sub-totals both for July, both with and without capital outlay and loan principal payments. Ms. Artis next reviewed the statement of cash flows and statement of net assets, highlighting and explaining major line items therein. She also noted cash on hand of \$7.32 million as of the end of July.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.30% in the Tulare County pooled fund, .58% at the state LAIF, and 1.01% with CalTrust. She also referred the Board to the graphical depiction of such investment rate trends since January 2009. Ms. Artis lastly indicated that the District 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. She made mention of a reduced Workers' Compensation billing due to a lowered MOD rate as determined by ACWA/JPIA. Board discussion ensued regarding Friant WA O&M costs, consultant costs for the McKay Pt Reservoir project, and weed control herbicides. By the motion of Director Rogers, second by Director Borges and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 47595 through 47639 totaling \$465,091.25 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Closed Session:

The Board adjourned again to closed session per Government Code §54956.9(b), and then returned to open session with no reportable actions taken.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix stated that the consulting engineer's initial report concerning the water resources investigations by KDWCD has been completed. He also made mention of upcoming committee meetings, the status of boundary issues concerning the Greater Kaweah and East Kaweah GSAs, the Tulare County facilitation process and other administrative matters.

Request for Turnout - Mr. Fukuda next briefed the Board of a request by D. Anderson for the installation of a new turnout and pipeline from Anderson Basin to provide water service to his lands nearby. Mr. Fukuda noted that the Area 25 pipeline could accommodate such water service, but this line serves other Water Users and may experience capacity limitations. The Board thereupon discussed the request and support was expressed to require Mr. Anderson to pay for the undercrossing of Ave 232 by the new pipeline, and that the balance of the cost for the project be split equally between him and the District.

Matters for Consideration of Board Action:

Appointment to TIC Board - A resignation letter from Director Bixler from his position on the Tulare Irrigation Co. board of directors was presented to the Board. After brief discussion, it was moved by Director Borges, seconded by Director Thomas and unanimously carried by all board members present, that Director Rogers be appointed as a District representative for consideration by Tulare IC to serve as a director on its board. Director Thomas then suggested that the Tulare IC board take into consideration its schedule of meetings during the fall in recognition of crop harvest commitments making it difficult to attend such meetings.

Resolution No. 16-11 - Mr. Fukuda explained the necessity of CEQA compliance for the Canal Modernization Phase II project, and that District Counsel has approved the pursuit of a statutory exemption from complying with such state laws. He noted the basis of the exemption being that the project relies on the use of existing facilities and minor alterations thereto. By the motion of Director Thomas, second by Director Rogers, duly put and carried by all board members present, Resolution No. 16-11, authorizing the filing of a Notice of Exemption for the Canal Modernization Phase II project, 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 July 28<sup>th</sup> meeting of the Friant WA board. Discussed was Friant-Kern Canal right-of-way issues, a partnership with the Friant North Authority, water operations and federal drought legislation. He then reviewed the dialogue at the August 4<sup>th</sup> meeting of the K&SJRA, noting the water supply report and final joint powers agreement for SGMA compliance. Concerning the KBWQA meeting the same day, Mr. Borges said that membership status was discussed, as was the upcoming annual meeting of the organization, self-certification and the necessity for groundwater quality plans.

Director Bixler next summarized the content of the Wutchumna WC meeting held on July 13<sup>th</sup>, whereat a \$250 assessment was levied along with a payout from the trust fund. He then announced that a \$85 assessment was levied at the July 20<sup>th</sup> Tulare IC quarterly meeting, and that a \$40 assessment was levied at the Evans DC meeting held that same day.

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

  
Secretary

  
President