

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
14th DAY OF JANUARY 2014 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 was Richard Zack, local history consultant. 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 December 10, 2013 had been distributed and asked if there were any errors or omissions noted therein. There being none, and upon the motion of Director Borges, second by Director Rogers and unanimously carried, the minutes of the meeting were thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw noted that about 12,000 AF is retained in storage behind Terminus Dam, 353 AF of which is in the District's name. He added that more water has been transferred to LSID to meet irrigation needs due to the recent freeze and dry conditions. He then went on to note rainfall to-date at the District's yard of 20% of average, and that snowfall is at 18% of average to-date for the San Joaquin Basin. He also noted that good readings of the snowfall situation in the upper Kaweah Basin are not available due to the sensor at Farewell Gap being inoperative.

Water Supply Outlook - Mr. Hendrix reported that, based on continued dry conditions, a 10% Class 1 allocation is in the offing with any such supplies being likely dedicated to meeting the Exchange Contractor needs unmet from CVP/Lake Shasta water exported from the Delta.

Water Management Activities - Mr. Hendrix indicated that a small amount of water remains in the District's name in San Luis Reservoir and that a transfer or carryover of this supply is being looked into.

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 proceeded to review the fourth quarter O&M report as handed out, noting safety training, equipment and vehicle maintenance, herbicide treatments and construction projects undertaken last month.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis brought to the Board's attention the financial statements for the month of December 2013 for their review and consideration. She cited year-to-date income of \$10.48 million, reviewed expenses relative to percentage of budgeted amounts, and cited net income for the year of \$3.8 million.

Ms. Artis next reviewed the statement of net assets and changes from last year, accounts receivable details, fixed assets, investments, liabilities and construction-in-progress figures. She cited total assets of \$52.1 million per the report.

Ms. Artis then reviewed graphical depictions of historical investment yields at both the state LAIF and County pooled fund, citing yields of 0.264% for LAIF and 1.18% for the County as of last June.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Several such bills were inquired about by the Board and discussed, including ACWA conference expenses, uniform service costs, landscape maintenance and sundry shop expenses. By the motion of Director Thomas, second by Director Rogers and unanimously carried, the Board accepted the financial statements and, by said motion, check nos. 44622 through 44729 totaling \$227,769.47 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Assessor-Collector Report:

Ms. Holmes thereupon reviewed a summary report of the first installment collections due on December 20th last year. She noted that 98% of the first installment had been paid and that 43% of the second installment had been paid. Discussion ensued regarding the components of the District's assessment, notably the operations assessment and USBR environmental charge.

Management Staff Reports:

Landowner Turnout/Pipeline Policies - Mr. Fukuda then explained the considerations involved with landowner requests for new water service to lands created largely as a result of parcel splits and associated changes in ownership. He reviewed several example cases, noting that some require new easements to traverse others' properties with a new pipeline. Director Borges recalled the current policy which called for the District to pay for such installations to the landowners' field depending on the size of the parcel proposed for service. Mr. Fukuda asked that the draft policies as presented be reviewed by the Board for consideration and potential action at a later date.

TID History Project - Mr. Zack provided an update on his efforts to complete a manuscript of the District's developmental history. He focused on the chapter dealing with the District's role in the development of the Central Valley Project and noted that he is also reviewing pertinent information in regards to historical Kaweah River floods as they relate to the District.

Annual Report of Operations - Mr. Hendrix referred the Board to a report of operations for 2012. He noted that the report is the result of an effort to resurrect the production of annual reports, which had been the practice of District staff up until the late 1970's. He added that this report is intended to serve as a compendium of O&M operations and administration of the District and will be published each year hereafter.

Sacramento Water Rally - Mr. Hendrix made mention of a political water rally being staged by the Latino Water Coalition and others on January 16th at the State Capitol and noted the associated flyer.

Matters for Consideration of Board Action:

Preliminary 2014 Budget - Mr. Hendrix presented the preliminary budget and proceeded to review highlights thereof. He made note of major swings in certain revenue and expenditure items as compared to 2013, the particulars of capital outlay, and the status of cash reserves. He also summarized the future outlook re cash needs for infrastructure and the cost of Friant contract supplies, noting that water sale and assessment rates can be expected to fall short in the near future. After some discussion, by the motion of Director Rogers, seconded by Director Borges

and unanimously carried, the preliminary 2014 budget was approved as presented.

IWRM Agreement - Mr. Fukuda presented the proposed agreement with KDWCD regarding their administration and oversight of the District's Integrated Water Resources Management grant from DWR. He noted that the grant amount of \$1.13 million is for the Swall Basin project. Mr. Fukuda indicated that District Counsel had reviewed the agreement and found it to be acceptable in form and purpose. By the motion of Director Martin and second by Director Thomas, the IWRM agreement was authorized for execution.

Resolution No. 14-01 - Mr. Hendrix brought to the Board's attention the subject resolution and associated listings of appointments, proxies and representations to be identified as among board members and staff. With acceptance that the current slate of such persons are again appropriate for the current year, Resolution No. 14-01 was adopted with the motion of Director Martin, second by Director Thomas, and duly put to vote and unanimously carried.

Resolution No. 14-02 - Ms. Holmes then explained staff's intent to turn over delinquent assessment liens to Tulare County after a five-year period for their collection as part of the County Tax Roll. She indicated that an agreement to that effect and supporting resolution have been prepared by the County and that both documents have been reviewed by District Counsel. After some discussion amongst the Board and staff as to the revised assessment collection process, Resolution No. 14-02, placing assessments and charges on the Tulare County Tax Roll, was adopted by the Board under the motion of Director Borges, second by Director Martin, and duly put to vote and unanimously carried.

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 thereupon summarized the USBR water supply report and other matters dealt with at the December 13th FWA board meeting.


Director Martin next provided highlights of the January 9th meeting of the K&SJRA. He noted that most of the time was taken up with the new water quality association issues, including the new association boundaries and its search for an outside administrator.

Director Thomas next covered the annual Wutchumna WC meeting held on December 11th and regular meeting held on January 8th, and addressed topics including re-zoning of properties affecting the Bravo Lake area and the Company's olive orchard lands by the City of Woodlake, St. Johns WC issues, Terminus storage O&M costs, and shareholder assessments of \$300 and \$375.

Closed Session:

The Board then adjourned to a closed session per Gov't. Code §54957. Upon returning to open session the Board, with the motion of Director Martin, second by Director Thomas approved, by unanimous vote, merit salary increases for the positions of O&M Superintendent and Controller of 4% each.

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


Secretary

David G. Butler
President