

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
8th DAY OF OCTOBER 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 and Dave Martin. Directors Mike Thomas and Scott Rogers were absent. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; Marco Crenshaw, Watermaster; and Aaron Fukuda, Engineer. The meeting was called to order by President Bixler. It was noted that one non-action item was added to the agenda, that being item 5.D regarding a report by Richard Zack.

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 September 10, 2013 had been distributed and asked if there were any errors or omissions noted therein. With one correction noted and upon the motion of Director Borges and second by Director Martin, the minutes of the meeting were thereupon approved.

Management Staff Reports:

Mr. Zack proceeded to brief the Board on his progress in preparing the historical manuscript and accompanying pictures for the District's history book. He presented a summary of the CVP, McKay Point, and Wutchumna WC chapters of the book. He made mention too of the need to obtain pictures of the current Board members to place in the book. Mr. Zack indicated that a complete draft should be finished by the end of the year.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw made note of Lake Kaweah's storage level being at 12,700 AF as of today and that a few upper Units are still conveying water. He also noted that the District has 390 AF of Kaweah water in its account. He and Mr. Hendrix then summarized the exchange payback status with Lindsay-Strathmore ID, noting that the LSID payback call amounts to about 8,100 AF thus far for this year.

Water Management Activities - Mr. Hendrix then said that there were no updates to the status of exchanges and transfers occurring this year.

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 referred the Board to the quarterly O&M report in which is detailed the major activities such as safety training, canal reshaping, wash-in repairs, invert dredging, turn-out gate work, weed control, and O&M yard maintenance. He also noted substantial bank work being done on Packwood Creek. Regarding construction work, he made mention of SCADA work on the Swall Basin, the new turn-out structure for Mooney Grove Park, S-4 Ditch piping, and a new turn out on the Evans Ditch. There ensued some discussion over the effectiveness of the Tiger mower for weed removal.

O&M Yard Alarm System - Mr. Fukuda reviewed the recent theft of fuel from the yard and staff's resulting evaluation of options to install security

systems to forestall such break-ins. He reviewed proposals from Giotto's which were \$13,000 to install a laser beam alarm system around the perimeter fence line and \$20,000 to install video cameras at key locations. For the supposed benefits provided, the Board concluded that an alarm system such as proposed would not be cost effective.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis brought to the Board's attention the financial statements for the month of September 2013 for their review and consideration. She cited monthly and year-to-date income of \$16,688 and \$6.56 million, respectively. She then reviewed expenses and discussed trends in certain expense groupings, including references to percent of annual budget. She concluded with noting a net gain of \$1.35 million for the year thus far.

She then proceeded to review the statement of net assets and changes from last year, accounts receivable details, fixed assets, investments, liabilities and construction in progress figures. Ms. Artis next reviewed graphical depictions of historical investment yields at both the state LAIF and County pooled fund, citing yields of 1.18% for LAIF and 0.26% for the County. She lastly summarized the status of recent loan payments to Banc of America and amortization schedule for the 9(d) contract pay-off loan.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. She highlighted several such bills on the list. By the motion of Director Martin and second by Director Borges, the Board accepted the financial statements and check nos. 44322 through 44408 totaling \$359,737.20 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

2012 Audit Report - Ms. Artis then announced that the audit report will be delivered to the Board at its November meeting. She added that the cost may be slightly over the \$11,300 agreed-to amount per the contract with Cuttone & Mastro.

Management Staff Reports: (cont.)

Letter to Water Users - Mr. Fukuda directed the Board's attention to the letter soon to be mailed to water users regarding removal of tail water drains into the District's canals and ditches. He noted that any District costs in removing such drains are not eligible to be transferred to District assessment liens as are unpaid water bills.

Visalia Water Exchange Program - Mr. Fukuda indicated to the Board that the City of Visalia's bid process for the new treatment plant and connecting pipeline to the Evans Ditch has hit a snag. One of the bidding contractors has submitted a challenge regarding some bid items, and Mr. Fukuda stated that this may slow down the effort to proceed with construction.

District Web Site - Mr. Fukuda next showed the Board the revamped home page for the District's Web site. He noted that the new web software platform better allows for uploads by staff and should make for more efficient updates to the site without the need to pay for the software vendor's time to do so.

Matters for Consideration of Board Action:

Resolution No. 13-09 & No. 13-10 - Mr. Hendrix presented the established form of resolution to levy the annual assessment to partially fund CVP water purchases in 2013 and for groundwater recharge operations. He further presented the established form of resolution to fix the annual charge for 2013 to defray the costs to the District of the USBR-imposed Friant surcharge and environmental restoration fees. It was moved by Director Borges, seconded by Director Martin, duly put and carried, that Resolution No. 13-09, levying an assessment of 0.8% of the District assessed valuation on all lands within the District, be approved and adopted. It was further

moved by Director Martin, seconded by Director Borges and duly put and carried, that Resolution No. 13-10, fixing a charge of \$16 per acre on all lands within the District, be approved and 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.

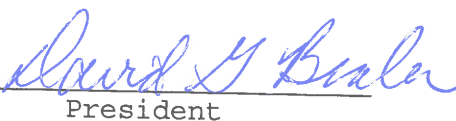
Director Borges began with summarizing the key matters dealt with at the September 26th meeting of the FWA. He made mention of General Member refunds to the membership and a call for funds totaling \$650,000. He also added that approvals were given to the 2014-15 O&M budgets, a water supply report was provided by USBR representatives, long-term Section 215 contracts were nearing execution, and reports given on a recent Washington D.C. excursion, Milfoil eradication progress, water bond polling and, finally, a reference to Settlement matters as discussed in closed session.

Director Borges proceeded next to summarize the conduct of the Kaweah Sub-watershed Coalition and K&SJRA board meeting held on October 3rd. He first noted that, at the Association meeting, bills were acted upon and that a slightly-reduced management fee is in effect from KDWCD. He then focused on matters dealt with during the Kaweah Sub-watershed meeting, at which the newly-configured board adopted its bylaws and elected directors, including Dave Martin and Rick Borges. He added that administrative management will continue for an interim period of time by KDWCD and that the new board will solicit proposals for such services in the future. Mr. Borges also noted that Alex Peltzer has been retained as counsel for the new governing body. Dave Martin then added that a petition challenging the Tulare Basin's General Order has been submitted to the RWQCB by the Kern County interests.

Director Borges next covered the occurrence of the annual meetings of the Tulare IC on September 24th, noting the election of board members and officers, both being the existing slate. He also cited an assessment of \$70 per share. Then Director Martin noted the special meeting of Evans DC on the same date and its levy of a \$20 assessment per share.

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


Secretary


President