

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
12th DAY OF NOVEMBER 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; and Aaron Fukuda, Engineer. Also present was Joe Mastro of the CPA firm Cuttone & Mastro. 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 October 8, 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 and second by Director Martin, the minutes of the meeting were thereupon approved.

Matter for Consideration of Board Action:

Approval of 2012 Financial Statements - Mr. Mastro thereupon reviewed the results of his firm's audit of last year's financial statements. He made mention of the Management Discussion & Analysis report, the District's net position, statements of revenue and expense and cash flow, and the notes to the financial statements. He stated that an unqualified opinion is being issued and that no material misstatements were uncovered. A discussion ensued amongst the Board concerning the calculated OPEB debt, its method of determination and growth over time. After discussion and with the motion of Director Thomas and second by Director Borges, the 2012 audited financial statements and associated report were approved by the Board.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw highlighted daily entitlement accruals at Lake Kaweah and that lake storage was down to about 9,300 AF. He also noted that adjustments continue on the amount of water needed by LSID as the irrigation season winds down.

Water Management Activities - No report was given.

Groundwater Level Survey Report - Mr. Crenshaw began with noting that, since the end of the two-year wet period in the fall of 2011, the average depth to groundwater across the District had dropped 39 ft. He then referred to a tabulation of such changes for all wells included in the District's survey. He and Mr. Fukuda lastly presented contour maps of depth to water and changes in depth since fall 2012 for discussion purposes.

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 noted activities including channel grading, pre-emergent applications, weed mowing, O&M yard improvements, and work for Evans DC. Mr. Fox also

mentioned SCADA equipment installations at the Swall Basin and pending perimeter fencing to reduce trespass incidences.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis brought to the Board's attention the financial statements for the month of October 2013 for their review and consideration. She cited monthly income and expenses of \$21,050 and \$376,825, respectively. She then reviewed expense categories in terms percentages of amounts budgeted. She noted a net gain of \$1.58 million for the year thus far and then pointed out capital outlay and loan pay-downs to-date.

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 cash on hand a of September 30th of \$11.2 million.

Ms. Artis then reviewed graphical depictions of historical investment yields at both the state LAIF and County pooled fund, citing yields of 1.18% for LAIF and 0.27% for the County. She lastly summarized the status 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 and others highlighted several such bills on the list, including an insurance pay-out, Swall Basin permitting costs, O&M yard electrical work, and an installment payment to R. Zack for work on the history manuscript. By the motion of Director Martin and second by Director Rogers, the Board accepted the financial statements and, by said motion, check nos. 44409 through 44512 totaling \$283,065.74 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Visalia Water Exchange - Mr. Fukuda summarized the status of the pipeline construction and permitting aspects of the project, noting that there may be delays in awarding a contract due to legal issues, revisions to the archeological report for NEPA compliance, and steps being taken for compliance with RWQCB requirements regarding domestic well proximity to application of tertiary-treated water.

Visitation by Chilean Water Group - Mr. Fukuda reported on a visit and field trip comprised of representatives from Chili's agricultural and water distribution groups. He summarized the group's purpose and interests in visiting irrigation operations in the U.S.

Groundwater Overdraft Forum - Mr. Hendrix reminded the Board of the planned groundwater forum to be held on November 18th at the World Ag Expo Center. He emphasized the educational theme of the forum and that over 250 people had registered thus far to attend.

Groundwater Investigations - Mr. Hendrix informed the Board of a investigation being conducted by the Tulare County Grand Jury regarding groundwater management and that he had been asked to deliver a presentation on the subject before a committee of the jury. He also presented the Board with a draft work plan developed by the SWRCB regarding groundwater management and regulation. He noted the exceptional nature of SWRCB's plan, in that this entity's authorities have been traditionally been focused on surface water rights. He also indicated that the work plan supports local oversight of groundwater operations with the caveat that the state may intervene should such local efforts not be deemed effective.

Matters for Consideration of Board Action: (cont.)

Resolution No. 13-11 - Mr. Hendrix referred the Board to the subject resolution and associated ACWA Statewide Water Action Plan. He noted that the Plan was necessarily a balanced set of objectives reflecting the views of numerous water districts across the state. He added that the Plan stresses the importance of adding more surface storage in the state as well as the importance of protecting groundwater resources, two matters of great importance to the District. With the motion of Director Borges and second by Director Martin, duly put and carried, Resolution No. 13-11 expressing support for the Plan was passed 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 Martin commenced with summarizing the conduct of the Kaweah Sub-watershed Coalition and K&SJRA board meeting held on November 7th. Regarding the Kaweah Sub-watershed reorganization, he noted that \$30,000 is to be transferred to the new entity, the Kaweah Water Quality Association. He went on to name the board members of the new organization, some of the administrative details being considered and the pending solicitation of proposals for its management by an outside consulting entity.

Director Rogers next covered the last Wutchumna WC meeting held on October 9th, indicating that nothing out of the ordinary was brought up thereat.

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

J. Paul Hendrix
Secretary

David S. Buler
President