

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
11th DAY OF APRIL 2017 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, and Dave Martin. Director Scott Rogers was absent. 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 Don Wright, scribe for Renewable Resources Group. The meeting was called to order by President Bixler.

Public Comments:

There were no public comments to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of the special meeting of March 14, 2017 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 Thomas, unanimously carried by all board members present, the minutes of the meeting were thereupon approved.

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 indicated that, due to continuous water operations, limited staff have been available for maintenance work. He then proceeded to review the first quarter O&M report, calling out steps taken per the District's safety program, field maintenance, vehicle maintenance and repairs, and construction projects. He provided additional concerning the piping of the Serpa Ditch as part of the Cordeniz Basin project, and called attention to pictures taken at various construction and maintenance sites.

Used Pickup Truck Purchase - Mr. Fox next reviewed his search for two used trucks, to be purchased to replace older vehicles and paid for in part with auto insurance payout funds. He put forth two trucks - one a 2012 and one a 2013 Ford F150 for a combined cost of \$34,000. Upon discussion by the Board, it was moved by Director Martin and seconded by Director Thomas, unanimously approved by all board members present, to purchase the two trucks as identified for a net cost of \$25,590.

Herbicide Applicator Position - Mr. Fox then outlined field staffing needs and the number of permanent v. temporary positions filled at the District in the recent past. He pointed out that, as of 2014, 14 permanent positions were devoted to field and water operations, and that currently 12 such positions are filled. The use of temporary hires has been done to both undertake maintenance and construction work on infrastructure projects. Upon further discussions amongst the Board, support was indicated to fill another maintenance position, along with the request that, prior to this hire, that the General Manager and Board reevaluate the District's retirement policies with respect to health insurance provisions.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw noted that the District very recently began diverting 50 cfs of CVP water into Packwood Creek and some into the Main Intake Canal destined for the City of Visalia exchange deliveries. He added that daily operations of Lake Kaweah and potential flood releases will govern how much CVP water may be diverted during the next several months.

Water Supply Outlook - Mr. Crenshaw next brought up the Friant Class 2 supply and its duration into the summer period. He then reviewed diversions and deliveries to-date, saying that 30% has been sold at canal turnouts, 46% recharged in sinking basins and 24% used in conveyance system seepage recharge. He lastly showed graphs and charts of Lake Kaweah inflow/outflow and storage, and Kaweah River runoff and total supply diversions into the District. He highlighted that, thus far, the District has exceeded all prior years for diversions to-date. Lastly, Mr. Crenshaw cited a April-July runoff projection, based on the state's snow course data, of 186% of average. He further noted that rainfall at the District's yard totals 141% of average to-date.

KRPA Operations - Mr. Crenshaw presented a graph of Unit No. 1 energy generation since the turbine was activated in late December with flood evacuation releases from Lake Kaweah. He noted that 1,093 MW-Hrs have been generated through April 1st.

Groundwater Level Survey - Mr. Crenshaw proceeded to review the data stemming from the spring 2017 survey of depth-to-groundwater within the District. A color-coded contour map was presented as well as tabular information. Since the fall of 2016, average depths have risen by about 2 feet; since the spring of 2016 by about 1 foot.

Water Management Activities - Mr. Hendrix referenced his April 8th memorandum on water sale rates and summarized the process to-date. He indicated that a summer sale rate in the range of \$40 to \$45 per acre-foot would yield about \$1 million in additional revenue compared to the prior summer rate of \$33. He also referred the Board to financial studies presented last fall which indicated that supplemental revenues of 41 million in wet years ought to be sufficient to offset losses in average and drier years. After further discussions by the Board on the matter, it was moved by Director Thomas, seconded by Director Martin and unanimously carried by all board members present, to establish a summer water sale rate of \$43, said rate to be effective as of May 1st.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of March 2017 for the Board's review and consideration. She cited the major revenue sources, noting \$439,000 received to-date. She next called out major expense categories and respective amounts. She said that the District's net loss to-date comes to \$860,000, excluding capital costs. Ms. Artis continued with presenting the statements of cash flows and net assets, citing pertinent figures therein. She lastly cited investment returns for the District's several holding accounts, those being 1.52% with the Tulare County Pooled Fund, .78% with the state LAIF, and 1.23% with CalTRUST, and indicated that there were sufficient funds to pay for six months of operational expenses.

Approval of Bill Payments - Ms. Artis next presented the list of bills

submitted for ratification and approval by the Board. Discussion ensued over the frequency of the various billings and call for funds from the Friant WA. The Board thereupon reviewed the balance of the list of bills. By the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 48333 through 48382 totaling \$163,708.11 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Canal Turnout Testing Program - Mr. Fukuda presented the results of a series of headgate measuring tests conducted by the Cal Poly ITRC. He indicated that, out of the seven gates tested and compared to the reference measurement via ITRC's measuring device, the gates were on average measuring about 7% on the low side. Mr. Fukuda added that the District's measuring requirements per SB7X-7 can be met by referring to these ITRC tests, and its DWR water management plan will indicate such reliance.

Mid-Kaweah GSA - Mr. Hendrix summarized recent activities, including apparent approval by both the East and Greater Kaweah GSAs on a revised boundary map showing no overlaps to be soon approved and submitted to DWR. He added that, beyond the agreed-to map, these GSAs and affected entities will be developing MOUs to define how their respective GSPs will address issues of mutual concern. Mr. Hendrix also indicated that a Kaweah Sub-Basin management team has been assembled to begin to address the coordination aspects of developing separate GSPs for each GSA. He lastly noted that there appears to be growing receptivity to sharing in the cost of GEI efforts to develop information of use to all GSAs within the Kaweah Sub-Basin.

Matters for Consideration of Board Action:

Quit Claim Easement for Montecito Ranch - - Mr. Fukuda proceeded to review the circumstances surrounding a canal easement now encompassing a pipeline and its location relative to property slated for houses. He indicated that a portion of the easement needs to be deeded to the developer and is not needed any longer by the District. There ensued a discussion of District easement within the City of Tulare and future maintenance responsibilities for canals that have been converted to pipelines. The Board emphasized the need to seek clarification with the City as to who owns the pipelines and has maintenance/replacement responsibilities therefor. After discussions, and by the motion of Director Martin, second by Director Borges and unanimously carried by all board members present, the subject quit claim of easement was approved for execution.

Resolution No. 17-07 - Mr. Hendrix summarized a resolution proffered by ACWA for adoption by its member agencies expressing support for its policy statement regarding Bay-Delta flow requirements. Finding the statement adequate the Board, by the motion of Director Martin and second by Director Borges, duly put and carried by all board members present, approved the adoption of Resolution No. 17-07.

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 reviewed the April 6th meeting of the K&SJRA, highlighting the water supply update and GSA formation update. He also summarized the same day meeting of the KBWQA, which included

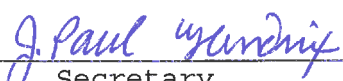
reports on membership status, certification training, NRCS grant funding, farm evaluations and nitrogen management plans.

Director Borges proceeded to talk about the FWA board meeting held on March 23rd. He made mention of legislative activities, work plans in conjunction with Friant North Authority, new USBR personnel, water supply updates and subsidence problems along the Friant-Kern Canal.

Closed Session:

The Board thereupon adjourned to closed session per Govt. Code §54956.8. Upon return to open session, it was reported that no reportable actions were made by the Board.

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


Secretary


President