

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
8th DAY OF APRIL 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 and Dave Martin. Director Scott Rogers was absent. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; and Marco Crenshaw, Watermaster. Also present were Richard Zack, history consultant and Joe Mastro of 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 March 11, 2014 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 Martin and unanimously carried by all board members present, the minutes of the meeting were thereupon approved.

Treasurer Reports:

Audit of 2013 Financial Statements - Mr. Mastro proceeded to present his firm's findings and report on the District's financial statements as prepared by Ms. Artis. He made note of the Management Analysis & Discussion section and then reviewed the basic statements, including the District's net position, statement of revenue and expense, statement of cash flows, and the notes to the statements. Mr. Mastro indicated that more explicit evidence of the Board's actions relative to the cash reserves and funding thereof should be highlighted in the future. Upon further discussion and by the motion of Director Martin, second by Director Thomas and unanimously carried by all board members present, the 2013 financial statements and audit report were accepted and approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw said there is about 32,000 AF in Lake Kaweah, and that the peak inflow to the lake is projected to be about 800 cfs sometime in the latter part of April.

Water Supply Outlook - Mr. Crenshaw reported that the CVP contractor allocations from the San Luis and Friant units remain at zero. He noted that the District currently has about 1,000 AF of Kaweah water in storage and that another 7,000 AF may be forthcoming with the snow melt. There ensued some discussion as to LSID's needs for water under the long-term exchange therewith, and Mr. Crenshaw stated that they will likely call on all water accruing to the District in 2014. Discussion was also held regarding the project operations in the Delta and issues concerning regulatory actions to protect fish. Mr. Crenshaw then went on to discuss rainfall and snow accumulation data and charts from DWR, both for the San Joaquin and Sacramento Valley watersheds.

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 made reference to the quarterly

O&M report, and noted dredging of the Main Intake Canal, tumbleweed removal, river siphon inspections, equipment repairs and herbicide applications. In regards to construction projects, Mr. Fox reviewed the work being done at the Ketchum Ditch diversion site and Swall Basin fencing.

Mr. Fox then made note of outside work being sought at Orange Cove ID for operations assistance and the City of Tulare for storm water basin maintenance. He also indicated that District crews will be taking over yard landscape maintenance work for the time being.

Treasurer Reports (cont.):

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of March 2014 for the Board's review and consideration. She noted substantial water sales income received, bringing year-to-date income to \$1.92 million. In regards to expenses, she highlighted Friant O&M, weed control, gas and oil, construction equipment repairs and audit costs. She cited total expenses of \$586,000 for the year to-date. Ms. Artis then went on to review capital outlay, the cash flow statement, and the statement of net assets.

Ms. Artis then reviewed graphical depictions of historical investment yields at both the state LAIF, county pooled fund and Citizens Business Bank money fund, citing posted yields of 0.24% for LAIF and 0.90% for the County. She cited account balances of \$16,303 for LAIF, \$8.87 million for the county, and \$6.74 million with Citizens Business Bank. Board discussion ensued as to the distribution of funds as among the several investment accounts. Ms. Artis lastly made reference to the amortization schedule for the 9(d) contract loan from Banc of America.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Director Bixler asked about the nature of Jade Equipment and its services, to which Mr. Fox noted that they are a supplier in Canada for the mower. Director Borges inquired about the anticipated billings from Sespe Consulting, and Mr. Fukuda responded that these will continue as the McKay Pt. project proceeds through its planning/permitting phase. After some further discussion and questions regarding selected bills, and 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. 44888 through 44961 totaling \$287,814.64 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

SCE Billings - Ms. Artis then summarized a discussion held with local SCE representatives regarding a rate analysis of the various District accounts. She presented a tabulation which depicted potential savings in the range of \$6,500 annually stemming from rate changes at several of the Area Pipeline meter accounts and at the District office/shop facility. She noted that these rate changes will soon be implemented. There ensued some discussion of the potential for solar panels positioned on roofs at the Avenue 240 site, and staff indicated that this will be looked into.

Management Staff Reports:

Agreement with Monrovia Nursery - Mr. Fukuda then reviewed the situation regarding the use of the Packwood Canal traversing across the Monrovia Nursery property adjacent the St. Johns River. He presented several options regarding a new arrangement with Monrovia, including a quitclaim of the existing canal easement deed and reservation of a new location for connection to the river. He also reviewed the costs to build a turnout and pump station downstream in the river to reconnect to the canal as it leaves Monrovia's property. Director Martin suggested a quitclaim along with a flow reservation when and if needed by the District. The Board also indicated that a more permanent structure at the southwesterly corner of the property to better isolate Monrovia's discharges from the downstream reach of the canal would be in order. They further indicated a desire to not spend a large sum of money to solve the issue via canal

reconfigurations or structural changes. Mr. Hendrix concluded with expressing his intention to arrange for another meeting with Monrovia to further discuss these options and Board objectives.

Groundwater Management Legislation - Mr. Hendrix proceeded to brief the Board on recent efforts to provide input on state legislation regarding groundwater management. He addressed the history of groundwater management in the state and prior legislative proposals, the position of SWRCB regarding authorities over groundwater, the status of basins in the San Joaquin Valley, local groundwater management plans, possible elements of a new bill coming out of Sacramento, and local governance options within the Kaweah Basin.

Proposed Changes to LSID Exchange Agreement - Mr. Hendrix indicated that LSID is seeking a possible change to the long-term exchange agreement with the District. The requested change involves the offer of first refusal on any excess Wutchumna WC water that LSID may have from time to time. Mr. Hendrix noted that LSID is entertaining a buyer of some of its surplus water on a long-term basis at considerable prices and seeks clarification of relevant terms of the exchange agreement with the District in order to proceed with the sale. He noted that further dialogue was to be had with District Counsel on this matter. The Board expressed reservations in acknowledging any offer of right-of-first refusal or on accepting any amendment to the LSID exchange agreement until more can be known about the terms and conditions of the proposed water sale by LSID.

History Project - Mr. Zack presented to the Board a few pictures of the formative years of the Main Intake Canal leading to the District's current service area. He commented that he is down to the final chapter of the history compilation, and that his proposed title of the book is to be "TID - the Story of Lawsuits, Canals and Water Rights."

Matters for Consideration of Board Action:

Kaweah Basin IWRMP MOU - Mr. Fukuda summarized the proposed amendment to and restatement of the subject Integrated Water Resources Management Plan MOU, stating that the amendment is to accommodate the participation of the City of Farmersville and to modify some of the plan's governance provisions. Upon the motion of Director Martin with a second by Director Borges and unanimously carried by all board members present, said amended and restated MOU was approved for execution.

Purchase of GIS Software - Mr. Fukuda next summarized the desirability of purchasing GIS software to enable the engineering department to better conduct mapping and facility documentation throughout the District's conveyance system. He indicated that the software's initial cost would be about \$1,500, and its use in-house would alleviate some of the dependence on outside consultants to prepare similar work products. By the motion of Director Borges, second by Director Thomas and unanimously carried by all board members present, the purchase of GIS software at the indicated cost was approved.

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 next summarized the matters dealt with at the March 27th FWA board meeting, which included the USBR report regarding carryover water and Delta operations, as well as an update on the state water bond discussions.

Directors Martin and Borges next summarized the April 3rd K&SJRA meeting. They highlighted the water supply report, riparian water rights inquiries and insurance renewal options. Director Martin also noted the close-up activities of the Kaweah Sub-basin organization.

Director Borges next summarized the April 3rd meeting of the KBWQA,

whereat the structure of the new organization was reviewed, participation levels discussed, and disputes among the four south Valley watershed groups regarding work activities and funding.

Director Bixler then covered his attendance at the March 28th ACWA board meeting, at which considerable time was spent on adoption of a groundwater management position paper and negotiations concerning the upcoming water bond. He then made note of a \$35 assessment levied at the March 24th Evans DC annual meeting.

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

J. Paul Hendry
Secretary

David G. Bixler
President