

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
13th DAY OF MAY 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, and Mike Thomas. Directors Scott Rogers and Dave Martin were 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 was Alex Peltzer, District Counsel. 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 April 8, 2014 had been distributed and asked if there were any errors or omissions noted therein. There being none, and upon the motion of Director Thomas, second by Director Borges and unanimously carried by all board members present, the minutes of the meeting were thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw noted that peak inflow to Lake Kaweah was 808 cfs, occurring a week ago or so. He then said there is about 68,000 AF in the reservoir and that it may only reach half full prior to irrigation season draw down. He added that Persian and Evans ditch companies are planning to call on water by early June and that CPDC will come on later.

Water Supply Outlook - Mr. Crenshaw reported that The Friant Class 1 allocation remains at zero and noted payback transfers to LSID of Kaweah water thus far this year. He added that Kaweah River runoff for April through July is projected to be about 25% of average, and that the District's total accrual of river water by the end of the season will amount to only about 6,100 AF. He next presented graphical timeline depictions of snow water content for the San Joaquin basin. Mr. Hendrix then added that releases below Friant Dam to meet lower river Exchange Contractor needs is to commence on May 15th, ramping up to 1,000 cfs and likely continuing through the summer.

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 named the painting and refurbishment of SCADA control boxes and antenna poles and weir board slot fitting installations at various check structures to allow for the use of shorter weir boards. Canal armoring work is ongoing along the Wutchumna Ditch, contact weed spraying, system inspections, and finish work at the new storage shed at the District yard. He noted too that a OSHA safety meeting was also held recently at the District office.

Mr. Fox then made note of the fencing at Swall Basin being completed, and also that remaining older structures at the site were being considered for removal.

Purchase of Wheel Loader - Mr. Fox next reviewed a recommendation to trade in two motor graders and a loader and purchase a new loader. He indicated that the several pieces of older equipment would earn the District \$60,000 from a Canadian company and that the lowest cost new loader was a Case Model 621F for \$140,000. Mr. Fox noted that the Equipment Committee approved the plan as recommended. Upon further discussion with the Board, it was moved by Director Borges, seconded by Director Thomas and unanimously carried by all board members present, to proceed with the equipment replacement plan as proposed.

Mr. Fox lastly made mention of planned line gate installations at several turnouts serving the Clark properties. The new canal-side gates would be pressure rated for both sides, thus minimizing farm water leakage into the District's system.

Management Staff Reports:

Performance of Non-District Work - Mr. Hendrix indicated to the Board the out-of-district work has been arranged with Orange Cove ID, Tulare County, Wutchumna WC and the City of Tulare for the coming months which may yield about \$250,000 in revenue. He noted that such work has grown beyond initial expectations and that every effort will be made to ensure that in-district maintenance and repair projects will not suffer as a result. He added that the most significant work will be with the City in the refurbishment of a number of storm water detention basins. Director Borges commented that work for the City, particularly where it can provide indirect benefits to the surrounding District area in the form of groundwater recharge enhancement, should be emphasized over more regional projects elsewhere in the County.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of April 2014 for the Board's review and consideration. She called out the groundwater recharge contribution payment and other lesser income sources which brought year-to-date income to \$3.56 million. She then highlighted several major expenditures and total expenses through April of \$1.71 million. Ms. Artis then went on to review capital outlay to-date totaling \$149,300 loan principal payment of \$186,200. She then proceeded to review 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 0.23% for LAIF and 1.04% for the County. She noted that the District has sufficient funds to cover six months of routine operational costs. 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. Several bill payments were highlighted, including one to KDWCD, the Lockwood Agency, auditor fees, and tractor repairs and rental charges. After some further discussion and questions regarding selected bills, and by the motion of Director Borges, second by Director Thomas and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 44962 through 45043 totaling \$264,912.48 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports (cont.):

Report to City of Tulare - Mr. Hendrix reviewed the "Report on 2013 Water Management Operations" recently submitted to the City of Tulare. He made note of the nominal recharge accomplishments for the year and reasons therefor, the City's annual payment, and the recharge balance calculations and trend over time.

USBR Investment Strategy Grant Program - Mr. Fukuda next summarized the grant program as an offshoot of the Settlement's water management goal, with funding available this year for up to 20 projects selected from among a much larger list. He said that three of the selected projects were submitted by TID, and these were (1) a recharge basin, as yet to be identified, (2) refurbishment of the St Johns and Kaweah river inverted siphons, and (3) the McKay Pt Reservoir project. Mr. Fukuda emphasized that these projects are at the conceptual stage and would be further refined pending additional financial and engineering feasibility determinations.

Packwood Creek Piping Project - Messrs. Fukuda and Crenshaw described staff's consideration to pipe a portion of Packwood Creek near its juncture with the Main Canal. They described the piping project as a feature to improve service at the end of the Packwood system and potentially reduce Section 7 spills out of the District. Mr. Fukuda indicated that the adjacent landowner Greg Watte may be approached as to a financial contribution towards the project in light of additional trees that may be planted by him with the elimination of the current ditch. The cost estimate, including labor and equipment usage, is about \$160,000. The Board indicated support for the project as outlined.

Membership in KBWQA - Mr. Hendrix remarked that staff is looking into the necessity of continued membership of the District and TIC in the Kaweah Basin Water Quality Association, given that the parcels owned by these entities are not being irrigated. He noted that the lack of agricultural irrigation on these properties may negate the need to be a member of the Association.

Matters for Consideration of Board Action:

Revised 2014 Budget - Mr. Hendrix presented the revised budget and pointed out the major changes from the preliminary budget approved by the Board last December. He made note of the reductions in projected revenue and expenses and the influx of revenue from recirculated water transfers and outside jobs. He also made note of anticipated pump-in costs due LSID for exchange payback water, and the use of consulting engineers for groundwater recharge studies and history book preparation costs. He then outlined the changes to capital outlay in the form of equipment acquisitions and grant-funded project costs. Mr. Hendrix summarized the budget as essentially cash neutral, leaving the District's reserves in the range of \$15.5 million at year's end. He cautioned, however, that some revenues expected this year were unique in nature and that base operational revenue sources will likely fall short of O&M expenses on average in the future.

Joint Purchase Agreement for Recharge Basin Site - Mr. Hendrix stated that the escrow on the Cordinez basin property now has the signatures of all sellers, as well as TID and KDWCD as buyers. He said it was now appropriate for the Board to report its action to approve the property purchase agreement acted on in closed session at its August 6, 2013 meeting. By the motion of Director Thomas, second by Director Borges and unanimously carried by all directors present, the Joint Purchase Agreement for Recharge Basin Site was announced as approved.

Resolution No. 14-04 - Mr. Hendrix called the Directors attention to a draft resolution as recommended by JPIA for adoption by its member agencies. He said the resolution places any volunteer workers on the District's Workers' Compensation plan. Ms. Artis added that such additions to the plan are at no cost and eliminate any claims from such workers from being covered by the District's liability policy. By the motion of Director Borges, second by Director Thomas and duly put and carried by all Directors present, Resolution No. 14-04, deeming any unpaid workers to be employees and eligible for Workers' Compensation Insurance benefits, was adopted.

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 thereupon summarized the matters dealt with at the April 24th FWA board meeting, noting that water supply and Delta operational issues were dealt with and that the board expressed support for the federal drought bills for California put forth by the House and Senate.

Director Borges next summarized the May 8th K&SJRA meeting. They highlighted the water supply projection and the separation of the Kings basin from the south Valley water quality coalition.

Director Borges next summarized the May 8th meeting of the KBWQA, at which the member sign-ups stood at about 50% of the eligible basin acreage and the means to conduct further outreach for new memberships was discussed.


Director Bixler then made mention of his attendance at the ACWA spring conference in Monterey, summarizing the panel sessions and various topics of discussion.

Lastly, Director Thomas summarized the conduct of the Wutchumna WC's April 9th board meeting, making note of a \$250 per share assessment and a discussion of the Woodlake Ranch olive orchard property adjacent Bravo Lake as being up for sale.

The Board then convened to closed session per Govt. Code §54956.8 and §54956.9(a). There were no actions taken in closed session and the Board thereupon returned to open session.

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


Secretary


President