

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
8th DAY OF JULY 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 Vice President Rick Borges, Mike Thomas and Scott Rogers. Directors David Bixler 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; Marco Crenshaw, Watermaster; Beth Holmes, Assessor-Collector and Mark Daffern, Shop-Yard Forman. The meeting was called to order by Vice President Borges.

Public Comments:

There were no comments from any members of the public in attendance to come before the Board.

Management Staff Reports:

Continuous Service Recognition - Mr. Hendrix made mention of Mr. Daffern's 35 years of service to the District, and the Board congratulated him for such long-standing service as an employee.

Approval of Minutes:

Director Borges then noted that the minutes of the regular meeting held June 10, 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 Rogers 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 began with noting that much of the 40,000 AF now in storage in Lake Kaweah will be diverted into the Friant-Kern Canal for delivery to Friant contractors. He noted too that the upper Peoples system will be running water through July and that the current release is about 425 cfs. Mr. Crenshaw then added that Terminus Unit No. 1 has been generating energy and will stay on for a few more days, using Bravo Lake under a peaking program. He presented a graph of energy generated and dam release flow since June 1st.

Water Supply Outlook - Mr. Crenshaw then reported that the District has 2,855 AF of Kaweah River entitlement remaining in storage to-date. He noted too that total transfers to LSID to-date are 5,850 AF.

Water Management Activities - Mr. Hendrix contrasted the involvement of the federal government in the state's water affairs today v. the dam-building era of the 1960's. He then noted some the costs that other south Valley districts are facing with their participation in the Delta tunnel project, and then addressed Friant's potential role in this project.

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 cited the refurbishment of SCADA control boxes, weed control, removal of 15 unauthorized tail water drains, and fence repairs along the Main Canal. Mr. Fox then summarized the non-District work being performed, piping projects for landowners, foundation work for a pedestrian bridge at Mooney's Grove, and rehabilitation of several City of Tulare storm water basins. He said

only minor work items remain at the Swall Basin and that the next construction project will be at the Cordeniz Basin.

Need for Temporary Workers - Mr. Fox next explained the shortage of field personnel due to family medical leave and Workers' Compensation claims, all totaling four to five crew members being out for up to several months. He emphasized that, given the District O&M requirements and project commitments made to others, he will need to bring on one or two full-time, temporary workers to fill the gap, one ideally with a Class A drivers license.

Acquisition of O&M Superintendent Truck - Mr. Fox outlined his intention to acquire a new Superintendent truck, rotate the current one to a pilot truck, and rotate the existing pilot truck to haul truck for the grader. He presented bids for a new pickup truck from the state's procurement division, Merle Stone Chevrolet and Will Tiesiera Ford. He noted that all were close in price, ranging from \$26,590 to \$27,570. It was the Board's desire to purchase from a local dealer and Mr. Fox was directed to arrange for the purchase of a Chevrolet 1500 crew cab or Ford F150 crew cab pickup truck accordingly by the motion of Director Rogers, second by Director Thomas, and unanimously carried by all board members present.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of June 2014 for the Board's review and consideration. Starting with the revenue and expense report, she noted little in the way of revenues for the month, but cited \$3.73 million for the year to-date. She then called out several expense items, including Friant and sundry in-district O&M costs, and pointed out a net gain of \$1.27 million through June. She moved on to capital outlay and loan principal reductions, and then the statement of cash flows, wherein she noted \$15.18 million in cash on hand.

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, 1.03% for the County and 0.35% at Citizens. She lastly called the Board's attention to the amortization schedule for the Banc of America 9(d) contract loan.

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 payments to LSID for exchange payback pump-in costs and turnout flow measurement equipment. After some further questions regarding selected bills and by the motion of Director Rogers, second by Director Thomas and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 45156 through 45226 totaling \$385,425.76 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Assessor-Collector Report:

Second Installment Collection - Ms. Holmes thereupon presented a summary report of collections for the 2014 assessment. She said the second installment payments have resulted in a 99% collection rate, with \$10,116 now in tax sales and another \$1,176 being placed on the County tax role per the recent decision to move older unpaid amounts to the County for collection. A discussion then ensued regarding the number of parcels for which the assessments remain unpaid, to which Ms. Holmes indicated that they are mostly small non-agricultural properties.

Resolution No. 14-05 - Ms. Holmes then made reference to the necessity for an annual District resolution authorizing the placement of delinquent assessments on the County tax roll, in this instance those for the years 2005 through 2008. By the motion of Director Thomas, second by Director Rogers, duly put and carried and unanimously carried by all board members present, Resolution No. 14-05 was adopted.

Management Staff Reports: (con't.)

IWRM Grant Application - Mr. Fukuda summarized the process by which the Kaweah Basin IWRM application package for a state grant under the 2014 drought solicitation program was submitted to DWR. He noted that several projects, including the District's Cordeniz \$1 million grant request, were omitted from the package. Mr. Fukuda said that there were misgivings as among some of the Kaweah IWRM members as to the decision process, as other basins in the San Joaquin Valley were assumed to be submitting recharge projects similar to those rejected by the Kaweah group.

NRCS Grant Opportunity - Mr. Fukuda next reviewed the District application submitted to the NRCS for several projects under a new federal grant program called the Regional Conservation Partnership Program. He named (1) continued funding for on-farm/AWEP projects, (2) a joint basin project for City of Tulare storm water layoff and recharge, (3) a recharge basin/riparian reserve project adjacent Mooney Grove, and (4) an expansion of telemetry communications equipment installations throughout the District.

2013-14 Grand Jury Report - Mr. Hendrix indicated that the recent County Grand Jury report contained some information regarding the District's plans for an expansion of recharge projects was misleading, and he explained the context in which the Grand Jury's information was obtained.

Tulare Drought Surcharge Notice - Mr. Hendrix next reviewed the notice to City inhabitants regarding a proposed increase in water service rates. He explained the City's rationale for such increases, which included reference to accelerated pumping by adjacent farm operators and lack of Friant water supply allocations to the area.

Matters for Consideration of Board Action:

Substance Abuse Policy - Ms. Artis summarized her review of the District's substance abuse policy as part of the Personnel Policy Manual. She pointed out revisions to the policy as recommended by the ACWA/JPIA, and there ensued some discussions with the Board regarding certain elements of the policy. By the motion of Director Rogers and second by Director Thomas, and unanimously carried by all board members present, Personnel Policy No. 1245 regarding the procedures to address substance abuse by employees was amended as recommended by Ms. Artis.

Tobacco Smoking Policy - Ms. Artis next stated that the District has no smoking policy, and that such a policy was recommended by the ACWA/JPIA. By the motion of Director Thomas, second by Director Rogers and unanimously carried by all board members present, a new personnel policy dealing with smoking on District property within designated areas was adopted.

Consideration of CPI Adjustment - Mr. Hendrix next referred the Board to the tabular data previously provided showing historical trends in CPI values and District cost-of-living adjustments since 1988. Upon review of such data, it was approved by the Board to implement a 1.5% increase in all wage and salary rates upon the motion of Director Rogers and second by Director Thomas, said motion unanimously carried by all board members present.

Board Member Report of Meetings:

Director Borges asked if any of the Directors have reports on meetings they attended or wished to discuss at this time.

He thereupon summarized the matters dealt with at the June 26th FWA board meeting, which included San Luis & Delta Mendota O&M costs, USBR administration of the Purchase and Exchange Contracts, the status of the water bond and updates on Friant litigation matters. Director Borges next summarized the July 3rd K&SJRA meeting. Topics included a status

report on the old water quality coalition and a brief report on water supply. He then reported on the KBWQA meeting held the same day, noting reports given on membership status, water quality testing procedures, fees structure and cost-sharing with the other south Valley coalitions on certain matters of common interest.

Director Thomas then summarized the June 19th meetings of the Evans DC and Tulare IC boards. He made mention of assessments levied, irrigation run activities, and water transfers and associated company bylaw provisions that were dealt with at the meetings.

Director Thomas next summarized the conduct of the Wutchumna WC's June 11th board meeting, making note of a \$250 per share assessment and a discussion of the potential sale of the Woodlake Ranch olive orchard property adjacent Bravo Lake.

Lastly, Director Rogers made mention of a Calif. Farm Water Coalition 25th anniversary dinner meeting he attended that was recently held at the Jack Stone Ranch.

Closed Session: The Board adjourned to closed session under Gov't. Code §54957. Upon returning to open session and by the motion of Director Rogers and second by Director Thomas, unanimously carried by all board members present, the Board approved a one-step merit increase in hourly wage rates for the following employees:

- R. Bell - Heavy Equip. Operator, Step 2 to 3
- D. Castro - Shop/Yard Main. Person, Step 2 to 3
- J. Felix - Light Equip. Operator, Step 1 to 2
- R. Nablo - Light Equip. Operator, Step 1 to 2
- K. Anderson - Ditch Main., Step 3 to 4
- V. Baker - Senior Acct. II, Step 1 to 2

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


Secretary


Vice-President