

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
9th DAY OF DECEMBER 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, Dave Martin and Scott Rogers. 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 Alex Peltzer, District Counsel and Don Wright on behalf of the Renewable Resources Group. The meeting was called to order by President Bixler.

Public Comments:

Director Thomas mentioned a recent presentation given by the Visalia Historical Society on past flood events of the Kaweah River system, in particular the flood of 1867. Mr. Wright then introduced himself as a representative of the Renewable Resources Group.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held November 11, 2014 had been distributed and asked if there were any errors or omissions noted therein. By 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 as presented.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with noting that storage in Lake Kaweah stands at nearly 18,000 AF and that there's snow in the watershed at elevation 9,000 ft. He noted that the District has 766 AF of entitlement in storage at Terminus, and described some of the conditions for why and when LSID may call on additional water from the District over the next few months.

Water Supply Outlook - Mr. Crenshaw then noted the snow water content within the San Joaquin watershed is at 41% of average to-date, and that no data is available for the Kaweah watershed. He added that rainfall at the District yard has amounted to 1.34 inches which is 73% of average.

Terminus Hydropower Operations - No report given.

Water Management Activities - No report given.

O&M Superintendent Report:

Routine Work, Outside 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 that the pre-emergent program commenced about two weeks ago and that rather expensive contact herbicides were being used for tumbleweeds and thistle. Channel grading for ditch companies is ongoing, as well as sand removal in canals and ditches. Mr. Fox added that preparations are being made for sinking basin grading and sediment removal per the District's basin rehabilitation plan. He concluded with stating that

work on City of Tulare storm water basins has stopped until the rainy weather has subsided, and that thirteen such basins have been refurbished thus far. Mr. Fox lastly noted that work on the Packwood Creek/Main Canal interconnection project continues.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of November 2014 for the Board's review and consideration. Beginning with the revenue and expense report, she explained the annual reporting for the first and second installments of assessment income. She next reported revenues and expenses, saying that revenues were 88% and expenses were 91% of the respective amounts budgeted. Including capital/project expenses, net income for the year was \$250,400. Ms. Artis next moved on to the statement of cash flows, citing cash on hand of \$13.14 million, and then the statement of net assets. Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.19% in the Tulare County pooled fund and 0.26% at the state LAIF. Per GASB regulations, she stated that at least six months' of expenses can be funded with cash on hand. Ms. Artis lastly referred to the amortization schedule for the USBR contract loan with Banc of America.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. She pointed the pay-out to Richard Zack for work on the District's history manuscript. Director Martin inquired about purchases at Target Specialties, and Director Bixler asked for details regarding EIR work for the McKay Reservoir project. Other discussions ensued regarding legal billings and engineering and computer consultant work. Finally, Mr. Crenshaw explained the billing by Soultis Pump for repair work on a landowner's well. By the motion of Director Borges, second by Director Rogers and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 45642 through 45705 totaling \$176,732.72 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Swall Basin Project - Mr. Fukuda proceeded to review the recent request of the City of Tulare to remove more dirt from the basin to be then used as fill material for the Cartmill overpass. He went over the dirt quantities already removed by the City, construction cost savings for City excavation work and dirt removal, and sales of dirt not needed by the City. The Board indicated support for additional dirt removal by the City beyond the design specifications for the basin, provided (a) the recharge characteristics of the project are not adversely impacted and, if so, (b) the City participates in a remediation effort should there be a loss of infiltration in any of the basin cells caused by City excavation and hauling equipment.

Refurbishment of Cordeniz Property Well - Mr. Fukuda explained the District's intention to allow the use of the Cordeniz property deep well by G. Hamstra for irrigating a nearby field earlier in the fall. Mr. Fukuda indicated that the well failed shortly after Mr. Hamstra began using it, and that staff is awaiting word on the cost to repair the pump and well shaft. Mr. Hamstra has indicated a willingness to contribute to the well repair costs, and more information will be provided to the Board when a cost estimate is available as to needed repairs.

New Zealand Delegation Tour - Mr. Hendrix thanked Mr. Fukuda and Mr. Crenshaw for their time devoted to the District on Saturday November

15th. Their efforts were devoted to a tour of District facilities and local farm operations for the benefit of agricultural and water resource representatives from New Zealand, and he noted that the group found the tour to be very informative.

EDC Lease of Shares - Mr. Hendrix indicated that the District was awarded the one-year lease of thirty shares of Evans DC stock owned by the College of the Sequoias, having submitted the highest bid therefor. A draft lease agreement has been prepared by COS, and Mr. Hendrix noted that it will be reviewed and made ready for execution soon.

Unused Restoration Flows - Mr. Hendrix provided an outline of the current options to purchase or exchange Restoration Program water that cannot be currently sent down the San Joaquin River for Restoration purposes due to incompleteness of planned river channel improvements and other facilities at Mendota Pool. He summarized a proposed exchange program put forth by the District to provide return water at 4:1 and 5:1 exchange ratios in favor of the District, and that the basic elements of the proposal have been agreed to by USBR. Mr. Hendrix noted that the preparation of an exchange agreement will soon follow.

Matters for Consideration of Board Action:

Amendment to Kaweah IWRMP - Mr. Fukuda thereupon noted that the Board's minute order action last month to approve the amendment to the Kaweah IWRMP needs to be evidenced by adoption of a resolution, and he presented the same to the Board. By the motion of Director Martin, second by Director Borges and duly put and carried by all board members present, Resolution No. 14-09, approving the Kaweah River Basin Integrated Regional Water management Plan, 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 Bixler first summarized the KRPA quarterly board meeting held on November 12th, noting the presentation and discussions regarding potential new generating turbines at the dam. Mr. Hendrix added that the District's Engineer has been directed to engage with KRPA staff in this and other Authority efforts.

Director Thomas then reviewed the last WWC board meeting held on November 12th. He made note of the assessment of \$250 per share. He also indicated that the Woodlake Ranch property sold and that the Company will be working to secure an easement strip of land for a Bravo Lake seepage buffer.

Management Staff Reports: (cont.)

Groundwater Sustainability Agencies - Mr. Hendrix reviewed the salient provisions of the Groundwater Sustainability Management Act as it relates to the formation of management agencies to carry out the provisions of the Act. He emphasized many of the considerations and potential advantages of the District forming as such an agency. Mr. Peltzer suggested that the Kaweah units jointly execute an MOU that commits to a common effort to look into the formation of these agencies and the most effective and acceptable means of doing so.

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

J. Paul Garvin
Secretary

David A. Beale
President