

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
19th DAY OF FEBRUARY 2015 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; Beth Holmes, Assessor-Collector and Marco Crenshaw, Watermaster. Also present was Alex Peltzer, District Counsel. Members of the public in attendance were Don Wright representing the Renewable Resources Group. The meeting was called to order by President Bixler.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meetings held January 13 and February 10, 2015 had been distributed and asked if there were any errors or omissions noted therein. There being none, by the motion of Director Rogers, second by Director Thomas and unanimously carried by all board members present, the minutes of those meetings were thereupon approved as presented.

Public Comments:

There were no comments from any members of the public in attendance.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with noting that storage in Lake Kaweah stands at nearly 38,000 AF and that recent rains have tuned most of the meager snow pack into runoff. No flood release mandates are anticipated from the USCE any time soon.

Water Supply Outlook - Mr. Crenshaw said that there's about 180,000 AF of projected runoff in the San Joaquin watershed which could translate into a 20% Class 1 allocation. The District's supply in Lake Kaweah stands at 4,900 AF, some of which is being held on behalf of LSID. He next indicated snow water content levels being 21% of average to-date for the Kaweah watershed and 19% for the San Joaquin.

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 named pre-emergent applications and contact spraying for weeds, grading along the Main Intake Canal, and turnout repairs, particularly in locations where back pressure from on-farm systems is experienced. Crews are working on the Lopes Ditch realignment, and preparing for the Lemstra pipeline project. Lastly, Mr. Fox said that basin rehabilitation work is centered now on Basin No. 6, and that upcoming repairs are anticipated for both the Sterling and International dump trucks.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of January 2015 for the Board's review and consideration. Beginning with the revenue and expense report, she noted income for the month and year of \$34,800. After some line item clarifications, she cited O&M expenses for the month totaling \$424,700 and capital expenses of \$24,450. Ms. Artis next moved on to the statement of net assets, making note of McKay Pt project costs, total liabilities and equity, and cash reserves as of the end of 2014. Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.24% in the Tulare County pooled fund and .26% at the state LAIF. Ms. Artis lastly made reference to the amortization schedule for the USBR contract loan with Banc of America. Director Thomas then inquired about projected grant income for 2015 as such relates to the preliminary budget, and this and other budget projections were discussed.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Mr. Fox opened the review with a summary of cost trends with the advent of cell phone usage by field employees as compared to the prior reliance on two-way radios. He noted that a savings of about \$130 per month are being achieved since the conversion. With questions posed by Director Thomas, details were provided regarding Praxair billings, and computer and copy machine costs. By the motion of Director Martin, second by Director Rogers and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 45811 through 45903 totaling \$345,637.54 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

2014 Audit - Ms. Artis indicated that, due to staffing arrangements at Cuttone & Mastro, the 2014 audit work will likely not commence until after the April income tax deadline has passed.

Assessor-Collector Report:

Credit Card Payment Policy - Ms. Holmes presented the Board with an analysis of the District-paid costs to offer landowner assessment payments by credit cards. She noted that such costs totaled about \$3,665 during the period January through December 2014. She added that in her survey of other public water agencies, only one offered a similar service for assessment payments. Ms. Holmes also noted that such costs, according to the District's bank handling the receipt of such payments, cannot be passed on to its customers. The Board thereupon discussed the wisdom of continuing to offer the credit card payment option, or whether to only allow the option for smaller landowners. It was also brought up that public agencies be exempted from the law that prohibits such costs from being passed on to customers. The Board directed staff to further look into this matter for consideration by the Board at a later time.

Management Staff Reports:

River Siphon Assessment Report - Mr. Fukuda presented the Board with a pictorial summary of a report prepared by BSK Associates regarding the condition of the District concrete siphons crossing under the St. Johns and Kaweah rivers. Both concrete structure coring and testing, as well as adjacent soils testing were conducted at each site. He indicated that the report's conclusion was that, while there was evidence of wear on the interior faces of each siphon, they remain in a serviceable condition with no threat of eminent failure. Mr. Fukuda added that periodic examinations and concrete testing of the structures will be conducted to gage the rate of ongoing degradation. He concluded with noting that grant funding may be available in the future for any remediation work that may prove necessary in the future for these structures.

Cordeniz Property Well Repair - Mr. Fukuda informed the Board that a new submersible pump and motor has been acquired from Soultis at a cost of \$14,500. The 25-Hp pump ought to produce about 300 gpm, and at this production rate the need for a storage tank on-site at the Cordeniz property should be unnecessary. He noted that installation of the pump assembly will be scheduled as staff mobilizes for construction of the sinking basin.

Cordeniz Basin/Conjunctive Use Grant Project - Mr. Hendrix reviewed the elements of the USBR Part III grant project, making note of the request by USBR to utilize the grant funds originally earmarked for a water exchange to other elements of the project. Mr. Fukuda then identified the adjustments, noting that the \$1.25 million for a water exchange is proposed to be spent in the following manner: \$620,000 for additional pipeline work, \$200,000 for additional monitoring wells, \$330,000 for expanded groundwater studies, and \$100,000 for the acquisition of a new scraper. He and Mr. Fox then highlighted the need for an additional scraper and associated purchase options for this project as well as for the District's overall basin rehabilitation plans now underway. Mr. Fukuda commented that this basin rehabilitation work will necessitate the removal of about 1.6 million cubic yards of dirt from a number of the basins within the District. Mr. Fukuda also reviewed the design of the Cordeniz Basin as well as what elements would constitute the expanded groundwater and conjunctive use studies being conducted by HydroMetrics.

Pipeline Conversions - This subject was tabled.

Crop Survey - Mr. Crenshaw reviewed the first and second round surveys, showing graphical and tabular trends in cropping patterns. Some discussion ensued as to the impacts of trees and row crops on both groundwater and surface water usage.

Semitropic WSD Banking Project - Mr. Hendrix gave a recap of the presentation given by Semitropic's representative in January regarding the development of a groundwater banking project. He contrasted the differing goals and objectives of such a project with those of a conjunctive use operation as is being practiced by the District.

Presentation at AGWT Annual Conference - Mr. Hendrix reviewed some of the salient points made at his presentation at the American Groundwater Trust/American Groundwater Association annual conference in Ontario. He stressed how the concept of sustainability is being applied differently today than in the past, during the developmental era of the large water importation projects bringing water into the San Joaquin Valley to sustain its economy.

TID History Project - Mr. Hendrix indicated that the draft manuscript is now essentially complete, and that the editing and publishing phases of the effort will soon begin. He noted that, whether done piecemeal or by a full-service consultant, the editing and layout processes could cost upwards of \$7,000, and publishing another \$6,000, depending on the number of books printed.

Matters for Consideration of Board Action:

Resolution No. 15-02 - Mr. Hendrix summarized the County's notice that many special districts are moving their board seat elections from an odd-year cycle to even years. He and Ms. Holmes emphasized the considerable cost exposure to the District should it remain in an odd-year cycle and an election is necessary to deal with multiple candidates for one or more of the divisions. Ms. Holmes also noted that, should the District elect to change to an even-year cycle, the terms for all board members will be extended by one year. After further discussion by the Board it was motioned by Director Borges,

seconded by Director Martin and duly put and unanimously carried by all board members present, that Resolution No. 15-02, authorizing Tulare County to establish the first Tuesday after the first Monday in November of even-numbered years as the District's new election cycle, be adopted.

Agreement with Monrovia Nursery - Messrs. Peltzer and Hendrix reviewed the principles agreed to as between the District and Monrovia Nursery concerning the Packwood Canal traversing the nursery property south of Rocky Ford on the St. Johns River. These principles were identified as (a) the maintenance of the Canal head works and control facility at the southwesterly end by Monrovia, (b) reservation of a 90 cfs flowage easement for the District, (c) right of District forces to inspect the Canal, (d) Monrovia liability for any spills into the Canal downstream of their property and (e) access to Rocky Ford and Ketchum Ditch sites by Monrovia. After questions and discussion the Board, by the motion of Director Martin, second by Director Thomas and unanimously carried by all board members present, approved the execution of the conveyance and license agreements with Monrovia principally in the form as presented.

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 commented that the Rivers Association and Water Quality Association meetings held February 5th were routine in nature, and, at the January 21st Tulare IC meeting, a \$25 assessment was levied.

Director Bixler next reviewed the dialogue at the February 18th quarterly meeting of KRPA, saying that much discussion was devoted to studies of Unit No. 2 with the assistance of NLine Energy consultants. He also made mention of his participation at the January 30th meeting of the ACWA board of directors, at which the Sustainable Groundwater Management Act was deliberated.

Director Thomas then commented that, although he wasn't present thereat, a \$250 assessment was levied at the last Wutchumna WC board meeting.

The Board then adjourned to a closed session per Gov't. Code §54956.9(a) and (b). There were no reportable 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.

J. Paul Hendrix
Secretary

David M. Butler
President