

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
11th DAY OF September 2018 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, Dave Martin, Scott Rogers, and Mike Thomas. Staff present at the meeting were Aaron Fukuda, General Manager; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; Marco Crenshaw, Watermaster; Bill Sario, District Engineer; and Jeremy Barroll, Assistant Engineer. Also present at the meeting was Don Wright, representing Water Wrights and Geoffrey Vander Heuvel, representing Milk Producers. President Bixler asked if there were any changes, additions or deletions to the Agenda, of which Mr. Fukuda reported there were none. The meeting thereupon was called to order by President Bixler.

Public Comments:

Mr. Wright announced an event being hosted at his home and extended an invitation to the District Board and staff.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting of August 14, 2018, had been distributed and asked if there were any errors or omissions noted therein. Two changes were observed and by the motion of Director Borges and second by Director Rogers, unanimously carried by all Directors present, the minutes of the meeting were thereupon approved with the noted changes.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw noted that storage at Terminus Reservoir as of the day prior was at approximately 13,478 AF. He then pointed out that the total inflow to the Terminus Reservoir for the prior day was 21 CFS and the entire release from the reservoir was 88 CFS.

Water Supply Outlook - Mr. Crenshaw provided reservoir operation charts for Terminus Reservoir and Millerton Reservoir. Thereupon he noted that the District currently had approximately 1,505 AF of Kaweah supply in Terminus Reservoir.

Terminus Power Operations - Mr. Fukuda provided financial information for the powerplant operations highlighting revenue of approximately \$2.4 million and expenses of \$877,000, which netted nearly \$1.5 million for the year. He noted that power generation for the year was 27.6 Mwh, which equated to an energy payment of roughly \$961,000 and a capacity payment of approximately \$1,397,000.

Water Management Activities - Mr. Fukuda stated that the City of Visalia and the District are anticipating delivery of tertiary treated water from the wastewater treatment plant in October. In anticipation of the delivery, Mr. Fukuda noted that he intends to have the District charge the current rate that was utilized, which was \$45 per AF. The Board confirmed unanimously that this approach is appropriate.

O&M Superintendent Report:

Routine Work - Mr. Fox reported that District maintenance was ongoing and he highlighted herbicide spraying operations; grading of District canals and notably the area anticipated to receive tertiary treated

water; mowing operations with the District mower; discing of basins; and the dredging of canals.

Construction Project - Mr. Fox reported that work was continuing on the Cordeniz Basin Project. He indicated that staff continues to create a keyway around the site and a contractor had removed some material. He thereupon noted to the Board that staff was also assisting the Modernization Phase II grant project and had installed several pieces of SCADA equipment and structures throughout the District.

Equipment Purchase - Mr. Fox reported to the Board that one dump truck in the fleet was coming due for CARB compliance in January 2019. He indicated that to stay ahead of the compliance requirement he recommended that the District purchase a new dump truck that is CARB compliant. On a motion by Director Martin, seconded by Director Borges and unanimously approved by the Board members present authorization was given to purchase a 2019 West Star 4700 with a 12 cubic yard PB Loader bed for approximately \$149,554.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for August 2018 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for January through August 2018 was \$5,041,598, which was approximately 51.16% of the revised budget. Ms. Artis next presented the expenses, highlighting several items but reporting expenses from January to August 2018 totaling \$6,809,624, which was approximately 60.43% of the revised budget. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$11,910,386. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at \$11,942,101 and the Total Equity in the District stood at \$37,021,352. She thereupon cited investment returns for the District's several holding accounts, those being 1.59% with the Tulare County Pooled Fund, 1.99% with the state LAIF, and 2.15% with CalTRUST.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. After further scrutiny of particular bills, the Board, by the motion of Director Rogers, second by Director Thomas and unanimously carried by all Directors present, accepted the financial statements and, by said motion, check nos. 49981 through 050155 totaling \$1,127,850.76 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Audit Update - Ms. Artis indicated that all audit materials had been completed and the District should receive a report in October.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Fukuda began his report with an update on Kaweah Subbasin activities noting that the coordination meetings had been canceled. However, the technical advisory group had met to discuss a new concept on determinizing minimum thresholds on a subbasin level. Thereupon, Mr. Fukuda provided a presentation of the approach, noting that areas of the subbasin would be broken down into individual sustainability zones to manage minimum thresholds and measurable objectives.

Next, Mr. Fukuda provided an update on activities at the MKGSA. He

reported on actions at the last MKGSA Board meeting, which he noted the selection of Valerie Kincaid as the new legal counsel, an increased budget and call for funds, the adoption of a Board Member Alternates Policy, the adoption of a Cooperative Statement, and the adoption of the Outreach Plan.

Friant Matters - Mr. Fukuda began his report on Friant activities with a presentation on recent events concerning the subsidence of the Friant Kern Canal. Of note was the accelerated schedule that will culminate in the selection of a construction alternative in October. Thereupon, Mr. Fukuda provided an update on Temperance Flat activities noting that a JPA had been developed and would be ready for discussion and adoption by the Temperance Flat MOA group shortly.

Legislation - Mr. Fukuda indicated that a written report had been provided to the Board and he was available for questions. No questions were asked.

Okieville Basin Update - Mr. Fukuda reported on a recent meeting with FEMA and Cal OES to discuss the Okieville Basin Project. He stated that FEMA will be starting their environmental review process and would not be willing to enter into a grant contract until the environmental process was completed. Mr. Fukuda thereupon recommended that the District enter into a letter of intent with the landowner to purchase the property and lease it for the upcoming year. The Board concurred with the recommendation by Mr. Fukuda.

District Property Williamson Act - Mr. Fukuda indicated that the County of Tulare had discovered that the District needed to either file for a non-renewal of the Williamson Act, or provide an amendment to our special use permit to keep the adjacent property in the Williamson Act. Based upon the unwillingness of the owner of the neighboring property to pay for the amendment, the Board directed Mr. Fukuda to file for a non-renewal at no cost to the District.

Matters for Consideration of Board Action

Board of Equalization - Director Bixler thereupon called the Equalization Board to Order. Mr. Fukuda indicated that as of this date no written comments had been received regarding the assessment and related valuations for 2019 and it was acknowledged that no members of the public were present before the Board of Equalization presiding today. He further informed the Board that they would remain seated in this capacity for ten days to collect written comments on the relevant subject matters pertaining to the levy of the District assessment for next year.

Mid-Kaweah GSA Board Member Alternates - Mr. Fukuda stated that the MKGSA had recently adopted a policy which required the District to identify alternates to the MKGSA. By a motion of Director Thomas, seconded by Director Martin and unanimously approved by all Board members present it was approved that the alternates to the MKGSA Board would be Director Rogers and Mr. Fukuda.

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 Martin reported on the activities KSJRA and KBWQA, which took place on September 6th. He noted that the discussion at the KSJRA included an approval to proceed with the ASO program assuming grant

dollars would pay for the program and there were three riparian rights requests. He thereupon reported that at the KBWQA it was passed that the current fees would be \$6.65 per acre with a \$50 administration fee.

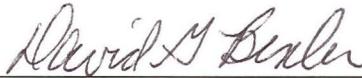
Closed Session:

The Board thereupon entered into closed session under §54956.8 and §54956.9(a) of the Government Code. Upon returning to open session, it was reported that there were no actions taken in closed session.

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



Secretary



President