

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
9th DAY OF JUNE 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, Scott Rogers and Dave Martin. 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; and Joe Mello, Engineering Technician. Members of the public in attendance were Joe Mastro, CPA with Cuttone & Mastro. The meeting was called to order by President Bixler.

Public Comments:

There were no comments made from members of the public to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held May 12, 2015 had been distributed and asked if there were any errors or omissions noted therein. By the motion of Director Borges, second by Director Thomas and unanimously carried by all board members present, the minutes of that meeting were thereupon approved as presented.

Matters for Consideration of Board Action:

Approval of 2014 Financial Statements - Mr. Mastro proceeded to summarize his firm's June 1st report on the District's 2014 financial statements. He complemented staff's preparation efforts, which resulted in minimal time at the District office to look over financial records. Mr. Mastro then stepped through a review of the Management Discussion & Analysis section, the Statement of Net Position, Revenues and Expenses, Cash Flows, and the Notes to the Statements. He closed with his report on internal control. After some questions and discussion the Board, by the motion of Director Martin, second by Director Thomas and unanimously carried by all board members present, approved and accepted the audit report as presented.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw thereupon noted that the inflow into Lake Kaweah appeared to have peaked at 350 cfs subsequent to the recent storms and is now back to about 160 cfs. He also indicated that Mathews Ditch began its summer run last week and that the Lower Kaweah units will be soon doing the same. Evan Ditch will be running for about two weeks. He also added that the lake stands at about 71,000 AF in storage. The Kaweah water delivered thus far to LSID this year amounts to about 3,000 AF, he said. Mr. Crenshaw next noted that the recent rains amounted to about ½ inch at the District yard.

Terminus Hydropower Operations - No report given.

Water Management Activities - Mr. Hendrix summarized the issues surrounding the water supply behind Friant Dam. He said that the riparian usage is running higher in this dry year and that some of the impounded water is anticipated for delivery to Friant contractors in

accordance with an exchange arrangement with the Exchange Contractors on the lower river. Mr. Hendrix noted, however, that recent uncertainties regarding the retention of water in Lake Shasta for fall fishery releases has clouded USBR's ability to export water to the Exchange Contractors and others. He added that this uncertainty has impacted the viability of some of the exchange arrangements involving Friant supplies.

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 addressed canal gate maintenance wash-in bank repairs from farm irrigation activities.

Mr. Fox next summarized the work completed on behalf of Corcoran ID to expand a regulation basin fed by the Lakeland Canal. He then said that work has resumed on storm water basin rehabilitation for the City of Tulare. He added that the Packwood-to Main Canal connection is finished and that rehabilitation of Basin No. 6 continues.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of May 2015 for the Board's review and consideration. She noted that income to-date amounts to \$298,780. She also pointed out certain expense items, and that the District has charged out \$49,520 in equipment usage and \$61,980 in labor for outside work. Ms. Artis next cited a net reduction in cash assets of \$2.13 million, which figure also reflects capital/project expenses. She then proceeded to review the statement of cash flows and net assets.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.42% in the Tulare County pooled fund and .28% at the state LAIF. She then referred the Board to the graphical depiction of investment return rates since 2008. She further indicated that, as a required financial disclosure, cash on hand would be sufficient to cover at least six months of future expenses. Ms. Artis lastly made reference 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. Details were provided regarding the lease payment for Evans stock water and legal counsel billing items. 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. 46187 through 46273 totaling \$321,287.72 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Compliance with SGMA - Mr. Hendrix addressed the upcoming County facilitation sessions, to be led by the Center of Collaborative Policy at Sacramento State University. He also indicated that a draft joint powers agreement between the District, Tulare and Visalia is under review. He also noted that various ACWA and advisory groups are actively meeting on this subject. Mr. Hendrix lastly noted that a special meeting of the Board may be scheduled for the review of some preliminary information in regards to the groundwater conditions beneath the Tulare region.

Groundwater Legislation - Mr. Hendrix reviewed AB 617 and AB 453,

intended to clarify certain items in last year's groundwater legislation, as well as AB 1390 dealing with the groundwater adjudication process. Mr. Hendrix also detailed the provisions of SB 20, the Senator Pavley bill that would require greater public access to well completion reports.

Turnout Relocation on Cameron Creek - Mr. Fukuda reviewed a request from J. Valov to relocate a ditch turnout along Cameron Creek to better serve his property. He made note of an older District policy, recorded in the minutes in 1963, by which the District would split the cost with the landowner to purchase a totalizing meter for a new turnout. Mr. Fukuda added that the new DWR agricultural water management regulations regarding new canal turnouts require meters as well. The Board reaffirmed the existing policy as applicable to the current situation and request of Mr. Valov.

Matters for Consideration of Board Action (cont.):

Resolution No. 05-04 - Mr. Hendrix indicated his interest in continuing to serve on the Region 7 board of ACWA, and that a resolution of support from the District is required to submit his name as a candidate for the position. By the motion of Director Thomas, second by Director Rogers and unanimously carried by all board members present Resolution 15-04, expressing support for Mr. Hendrix to serve in the capacity of a board member of ACWA Region 7, was adopted.

Review and Approval of Revised Budget - Mr. Hendrix thereupon summarized the highlights of the revised 2015 budget, particularly as they relate to changes from the preliminary budget. He pointed out (a) total projected revenues of \$5.7 million and expenses of \$6.6 million, (b) lack of water sale revenues and purchase costs, (c) no expected KRPA revenues and increases in FWA costs, (d) reductions in capital expenses, (e) cash position for December 2015, and (f) reserve fund trends.

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 summarized the June 4th meetings of the K&SJRA and KBWQA. He pointed out updates of DWR activities, and a plan to connect Johnson Slough to a recharge basin. In regards to the water quality meeting, he reported that no response has been received from the RWQCB re the Kaweah GAR, the presence of copper in one sampling location and follow up notices, and membership status.

Director Thomas next talked about the topics at hand at the May 13th WWC meeting. He made note of the \$310 assessment and withdrawal from the trust account to cover part thereof, a review of WWC supply in prior years, and the continuing discussion over the transport of groundwater to LSID via the WWC conveyance system into the Friant-Kern Canal.

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


Secretary


President