

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
13th DAY OF OCTOBER 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, and Dave Martin. Directors Mike Thomas and Scott Rogers were absent. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller and Treasurer, Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; and Marco Crenshaw, Watermaster. Members of the public in attendance were Richard Zack, local historian, Don Wright representing the Renewable Resources Group, and Scott Kuney of Young Wooldridge. The meeting was called to order by President Bixler.

Closed Session:

The Board then adjourned to a closed session per Gov't. Code §54957. Upon return to open session it was reported that, upon the motion of Director Martin, second by Director Borges and unanimously carried by all board members present, the firm of Young Wooldridge was retained as special counsel on matters related to the Friant Water Authority and the District's USBR water repayment contract.

Public Comments:

There were no comments brought before the Board from those members of the public in attendance.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held September 8, 2015 had been distributed and asked if there were any errors or omissions noted therein. Director Borges pointed out a needed correction to the O&M report thereof. Then, by his motion and second by Director Martin, unanimously carried by all board members present, the minutes of that meeting were thereupon approved as corrected.

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 began with making reference to the third quarter O&M report, and pointed out the following therein:

- Safety training;
- Trash removal, use of a rental mower, grading, dozing, rip-rap placement and wash-in repairs within the canal and ditch system;
- Vegetation clearing in Bates Slough;
- Vehicle maintenance;
- Herbicide applications;
- Various construction projects, some at landowner cost;
- Rehabilitation of Anderson Basin in conjunction with KDWCD;
- Storm water basin work for the City of Tulare; and
- Channel work for Evans Ditch Company.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw said Lake Kaweah

storage now stands at 15,600 AF and that the inflow is now down to a trickle.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of September 2015 for the Board's review and consideration. She cited last month's income of \$36,000, noting that assessment revenues would be forthcoming later in the fall. Regarding expenses, Ms. Artis called out the contract reconciliation payment due to USBR, and total expenses to-date relative to the budget for system O&M and equipment/shop expenditures. She made note of a net loss to-date, exclusive of capital outlay, of \$2.2 million. Ms. Artis next reviewed the statement of cash flows and statement of net assets, detailing certain line items therein. She cited cash reserve components as of the end of August totaling \$11.35 million.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.091% in the Tulare County pooled fund, .34% at the state LAIF, and .88% with CalTrust. She then referred the Board to the graphical depiction of investment rates since 2008. She 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. Questions were fielded by several board members regarding the well and pump installation at the Cordeniz property, equipment rental cost, and shop building repairs. Director Borges pointed out that Friant WA general membership dues will be billed on a quarterly basis in the future. By the motion of Director Martin, second by Director Borges and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 46547 through 46677 totaling \$445,741.02 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix briefed the Board on activities of the new joint powers authority, including the posting of its notice of formation with the state DWR and the discussions held at the County facilitation meetings, which now include the apparent conclusion of KDWCD and the County to also form a GSA to include entities who do not wish to form their own such agency. He also stated that the Mid-Kaweah GSA is in need of a Treasurer, and that he has volunteered Ms. Artis to serve in that capacity and has received the support of the two cities in that regard.

TID History Book - Mr. Zack briefed the Board on the status of peer reviews as well as the outstanding items needed to finish the project, including board member pictures, book title and size, and the number of copies to print. Mr. Hendrix noted that the board handout materials contained a sample chapter after the layout work has been completed.

Geophysical Data Collection - Mr. Fukuda next explained two data collection projects, one at no cost to the District and one for which a proposal has been obtained. He summarized the helicopter fly-over

scheduled later in October which will collect sub-surface profile data which can be used to determine the locations of clay and loam strata up to 1,000 ft below the land surface. He presented a map showing where this data will be collected, and that the work is part of a Stanford University research project. Mr. Fukuda then summarized a proposal submitted by a consulting company called E-Pur which outlines work to analyze all well E-logs within the District and in an upstream region to map sub-surface characteristics to aid in determining optimal places within which to conduct groundwater recharge. He noted the cost to be \$155,000, and that one-half of that would be paid for from USBR grant funds. Mr. Fukuda indicated that he will obtain more information as to the benefit of the proposed project and report thereon at the November board meeting.

Matters for Consideration of Board Action:

Personnel Policy No. 1240 - Ms. Artis reviewed the current health insurance policy with respect to coverage of dependents and clarification necessary for children under the care of a guardian to be eligible as a dependent. Being supportive of this change the Board, by the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, Personnel Policy No. 1240 was so amended.

Grant Compliance Policy - Mr. Fukuda reviewed the proposed new policy, saying that certain grant-funded projects require policy by the grant recipient to have an adopted policy governing the administration of the grant project and its finances. Upon further discussion, with the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, a District "Grants Compliance Policy Manual" was adopted.

Resolution Nos. 15-07, 15-08 - Mr. Hendrix presented the established form of resolution to levy the annual assessment to partially fund CVP water purchases in 2015 and for groundwater recharge operations. He further presented the established form of resolution to fix the annual charge for 2015 to defray the costs to the District of the USBR-imposed Friant surcharge and environmental restoration fees. It was moved by Director Borges, seconded by Director Martin, duly put and carried, that Resolution No. 15-07 levying an assessment of 0.8% of the District assessed valuation on all lands within the District, be approved and adopted. It was additionally moved by Director Martin, seconded by Director Borges and unanimously carried by all board members present, duly put and carried, that Resolution No. 15-08, fixing a charge of \$16 per acre on all lands within the District, be approved and adopted.

Resolution No. 15-09 - Mr. Hendrix thereupon stated that the subject resolution was for the purpose of authorizing execution of a temporary water service (Section 215 water) contract with USBR, said contract to be utilized should surplus water be made available from the Friant Unit during the period October 2015 through February 2016. Upon the motion of Director Borges and second by Director Martin, duly put and carried, Resolution 15-09, approving execution of a temporary water service contract with USBR for the referenced months in contract year 2015, 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 Martin first covered the KBWQA meeting held on October 8th, addressing upcoming workshops, future assessments and insurance


coverage. Director Borges added with the results of board elections for the ensuing term. Director Martin proceeded to summarize the K&SJRA meeting the same day, making note of a reduced management fee to be billed by KDWCD, water transfer status, and SGMA updates. Director Borges mentioned the news given regarding this year's Kaweah runoff as being the lowest in recorded history.

Director Borges next summarized the most recent Friant WA board meetings held on September 24th. He covered various topics, including the status of trial members, Section 215 contracts, approval of 2016-17 O&M budgets, revised lobbyist retainers with G. Sores and J. Raeder, the USBR water supply report, the status of the CEO search, and Restoration Plan progress.

Finally, Director Bixler summarized the business to come before the ACWA board at its September 25th meeting. He made mention of proposed change to Prop 218 rules regarding water-related fees and charges and discussions about changes to ACWA's bylaws. He lastly summarized the pending action items brought before the Mid-Kaweah GSA on September 14th, including the election of officers, discussions about legal counsel representation, and the agency's committee structure.

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


Secretary


President