

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
25th DAY OF FEBRUARY 2013 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; Wayne Fox, O&M Superintendent; Marco Crenshaw, Watermaster and Aaron Fukuda, Engineer. The meeting was called to order by President Bixler.

Public Comments:

There were no comments from any members of the public in attendance to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of recent board meetings had been distributed and asked if there were any errors or omissions noted therein. The minutes of these meetings were thereupon approved as presented by the motion of Director Borges and second by Director Martin.

Watermaster Report:

Lake Kaweah Operations and Supplies - Mr. Crenshaw indicated that about 25,000 AF is retained in storage in Lake Kaweah, and that it may increase due to minimal needs in the near future for a flood release. He then noted that 2,604 AF of 2012 Friant supplies are slated for carryover into the next contract year and that the Kaweah supplies in storage were for the most part Rayo WC water. Mr. Crenshaw then reviewed the prior flood release, during which about 5,300 AF was diverted into the service area. Of this amount 450 AF was from an operational spill from the Friant-Kern Canal. He next cited statistics for the rain and snow fall to-date, stating that the Kaweah watershed stands at 51% of average and the San Joaquin at 66% of average. He noted too that the Farewell Gap snow sensor in the upper Kaweah watershed is again non-functional.

Friant-Kern Canal Flush - Mr. Crenshaw then summarized the flushing flow released into the Main Intake Canal earlier in the month totaling about 450 AF. It was blended with District releases of Wutchumna WC water into the Canal totaling about 150 AF. He and Mr. Fukuda reviewed the water quality issues associated with this water, noting that the constituent of concern, Floridone, was at a level of 12 ppb in Creamline Basin. They emphasized that this water stayed in the basin and was not rediverted into the Main Canal nor the North Branch Canal.

Water Management Activities - Mr. Hendrix summarized the outlook for Friant water to be contained at Mendota Pool and credited in San Luis Reservoir this coming season. He indicated his intent to pursue sales to growers in Westlands WD sufficient to commit all of LSID's share of the water as part of the commitments made to move forward on the long-term exchange with them.

O&M Superintendent Report:

Routine Work, Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month in the delivery system and within upstream diversion channels. Work within the Main Intake Canal, up to its beginning at the Friant-Kern Canal diversion structure, took up much of the routine work. Work included, among other things, canal dredging and squirrel abatement. He added that weed spraying and tree trimming along canal banks is underway as well, which generated Board questions as to spraying and trimming restrictions through canal reaches in Visalia. Mr. Fox went on to

mention turn-out maintenance and installation of long-crested weirs, which installations are intended to help maintain consistent canal water levels.

Mr. Fox also noted the existence of some tail-water drains in the various canal stretches and sought clarification from the Board as to their ultimate removal. Board members reaffirmed their understanding that all such drains should be removed per District policy. Both Mr. Fox and Mr. Fukuda summarized the wrap-up work at the Swall Basin project and that staff's intent was to fence the perimeter to keep out intruders. He noted that the cost of fencing would be covered with unspent grant funds.

Treasurer Reports:

Approval of Financial Statements - Mr. Hendrix brought to the Board's attention the financial statements for the month of January 2013 for their review and consideration. He first reviewed the statement of revenue and expense, citing revenues totaling \$350,916 for the month and then reviewed expenses totaling \$584,262, noting some of the exceptional line items therein. Mr. Hendrix then mentioned the net asset and cash flow statements, as well as the investment report, for the Board's review. He closed with a review of the Banc of America loan payments and associated remaining balances for each.

Approval of Bill Payments - Mr. Hendrix next presented the list of bills submitted for ratification and approval by the Board. He noted the \$550,644 payment to Banc of America for the two debt service payments due March 1st. Mr. Hendrix and other staff then engaged in answering questions from the Board on certain bill payments. By the motion of Director Borges and second by Director Martin, the Board accepted the financial statements and check nos. 43422 through 43592 totaling \$1,182,344.32 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Visalia Water Exchange Program - Mr. Hendrix stated that a final agreement to present to the Board was forthcoming. He then summarized the need to obtain confirmation from KDWCD that certain recharge basins owned thereby may be utilized in managing water from the Visalia pipeline. He indicated that such confirmation was evidenced in the form of a KDWCD resolution which was then reviewed and discussed with the Board. Mr. Hendrix recommended that a letter acknowledging the KDWCD resolution was in order, and a draft of this letter was next reviewed with no concerns expressed as to its content.

Mr. Hendrix went on to summarize staff's consideration of the necessary operational changes in receiving Visalia exchange water on a year-round basis. It was his recommendation that no special water sale rates, other than those approved by the Board for all in-District water users, be established for exchange water sold to water users, and the Board concurred with that recommendation.

License Agreement with Monrovia - The matter was tabled until the March board meeting.

Cordinez Property - Mr. Fukuda indicated that the Cordinez family was now desirous of selling a 60-acre parcel immediately south of Enterprise Basin. He then described the Serpa Ditch realignment options to satisfy the property owner easterly of this property owner, Mr. Kumar, and how a realignment decision could impact the feasibility of the expansion of the Enterprise Basin should the District and/or KDWCD decide to purchase the Cordinez property.

Matters for Consideration of Board Action:

Agreements with Lindsay-Strathmore ID - Mr. Hendrix reviewed the direction and outcome of negotiations with LSID since the matter was

last dealt with at the special meeting on February 11th. He indicated that the option 2 approach was still intact, in that the amended long-term agreement becomes effective in 2013 and that the District receives LSID's leftover Friant carryover water from 2012. He noted that, due to LSID's apparent increased interest in water sales, it has been further agreed to share the proceeds of any sale of LSID's 2013 recapture water in San Luis Reservoir.

Mr. Hendrix then spoke to a request of LSID to add flexibility as to the timing of paying back the extra 5,000 AF owed to the District in the event of a call on District supply in a dry year. The Board indicated a willingness to address such flexibility in the agreement, provided both parties are willing to do so. The Board authorized the execution of both the 2013 letter agreement as presented and the amended long-term exchange agreement modified as described.

Board Member Report of Meetings:

Director Bixler asked if any Directors have reports on meetings they attended or wished to discuss at this time.


Director Borges thereupon reviewed the conduct of the KSJRA board meeting held on February 7th. He made note of Water Quality Coalition matters including issuance of the region's general order re ag discharges anticipated in May and lawsuit on the East Side Coalition's general order. He then summarized the latest discussions regarding the effort to convert the Kaweah Sub-watershed governance to a non-profit organization, separate and apart from the Association board. Regarding the January 31st FWA meeting, Director Borges named topics including the USBR water supply report and the recent membership of FWA into the CVP Water Users Association.

Director Bixler next reviewed his attendance at the February 20th quarterly board meeting of the KRPA. He made mention of the departure of Gene Kilgore, energy generation pricing outlook, the FERC application for Unit No. 2, and consideration of security alarm system for KRPA facilities at Terminus Dam. He then provided information on the recent meeting of the Visalia Water Management Committee, noting that the purpose was to address the grant application submittal for Packwood Creek recharge enhancements as part of the IRWMP.

The Board then adjourned to a closed session per Gov't. Code §54956.8 and §54956.95. Upon returning to open session, it was noted that the Board took action, with the motion of Director Martin and second by Director Borges, to reject the claim submitted by So. Calif. Edison Company for a downed power pole and forward the same to the ACWA/JPIA.

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


Secretary


President

