

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
8th DAY OF MARCH 2016 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 and Treasurer; Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; Marco Crenshaw, Watermaster; and, by way of teleconference, Scott Kuney, Special District Counsel. Also present was Don Wright, a representative of Renewable Resources Group. The meeting was called to order by President Bixler.

Approval of Minutes:

Director Bixler then noted that the minutes of the special meeting held February 16, 2016 had been distributed and asked if there were any errors or omissions noted therein. After several corrections being incorporated and by the motion of Director Borges and second by Director Thomas, unanimously carried by all board members present, the minutes of the meeting were thereupon approved as corrected.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with saying that inflow into Lake Kaweah is up to 1,000 cfs, and that another flood space evacuation release may be forthcoming.

Mr. Crenshaw then reported on current water supply conditions. Mr. Hendrix summarized the current intransigence on the part of USBR in determining a water supply allocation for the Friant Unit due to uncertainties with regard to flows for the Restoration Program and needs of the lower San Joaquin River Exchange Contractors. President Bixler said more attention needs to be brought to this situation. Director Martin added that fishery benefits of the current Delta operations appear to be very speculative, and Director Borges expressed his strong desire that USBR devote more effort in meeting the needs of the Friant contractors.

Mr. Crenshaw returned attention to local water supply operations, noting February sales of 27% of total diversions during the prior flood release. He then cited rainfall to-date at the District yard as being 116% of average, and snowpack estimated at 95% and 90% within the Kaweah and San Joaquin watersheds, respectively.

Terminus Hydropower Operations - No report.

Water Management Activities - No report.

Groundwater Level Survey - Mr. Crenshaw reported that the average groundwater level across the District was 165 feet below land surface, down 13 feet from last spring. Upon review of the contour map as presented, the Board discussed and commented on areas of mounding, cones of depression, and apparent influences from pumping zones adjacent the District boundaries.

O&M Superintendent Report:

Routine Work, Outside Work and Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past

month in the delivery system and within upstream diversion channels. He cited some of the primary activities, those being weed control, canal system trash removal, wash-in repairs on the Main Intake Canal, and ditch turnout gate repairs. Mr. Fox described the temporary repair work done on the St. Johns Siphon and the ultimate need to replace the air vent at its upstream end. He next summarized repair work done on an excavator, backhoe and scraper, and Director Martin inquired as to the details on such repairs. Mr. Fox lastly described some of the preparatory work leading to construction of the Cordeniz Basin.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of February 2016 for the Board's review and consideration. She cited total income for the month of \$38,640 and year-to-date of \$112,020. She then reviewed major expense items for the year and said that the net loss was \$995,765, including capital outlay and loan principal reduction. Ms. Artis next reviewed the statement of cash flows and statement of net assets, highlighting the designated funds segregation and total equity of \$36.2 million.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.10% in the Tulare County pooled fund, .45% at the state LAIF, and .94% with CalTrust. She also referred the Board to the graphical depiction of investment rates since 2008. Ms. Artis lastly indicated that the District's possesses sufficient cash to cover six month's expenses, and she made reference to the remaining principal of \$7.9 million for the Friant 9(d) contract payoff loan with Banc of America. Director Thomas then inquired about the District's cash reserves and historical trend in reserve amounts.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Director Borges asked about equipment repair costs in light of warranty coverage, to which Mr. Fox outlined the warranty provisions. Then Mr. Crenshaw addressed the large billing from KDWCD for Terminus O&M charges for 2015. Other questions were fielded related to legal costs and SCE standby charges. By the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 47107 through 47169 totaling \$331,209.56 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix summarized the status of the ongoing Mid-Kaweah activities. He discussed the agenda for the GSA meeting later today, which included anticipated appointments to the GSA Advisory Committee, retention of a groundwater hydrogeologist, and review of DWR regulations regarding groundwater sustainability plans. Director Bixler inquired as to access to state grant funds for such plan preparation, to which Mr. Hendrix indicated that the GSA will be applying for such funding. Director Rogers then inquired as to regulatory compliance by the Tulare Lake Bed basin area, and Director Martin expressed similar sentiments. Director Rogers further articulated his concern that pumping operations in Kings County westerly of the District's boundary have an adverse impact on District landowners.

2015 Report of Operations - Mr. Hendrix presented the Board with copies of the subject 2015 report.

San Joaquin Valley Water Infrastructure Authority - Mr. Hendrix reviewed USBR's planning studies for the Temperance Flat Reservoir

project and Friant's involvement in the process. He then described the purposes and members of the San Joaquin Valley Water Infrastructure Authority and that group's efforts to advance the reservoir project. Mr. Hendrix acknowledged that he and board members Bixler and Borges had met with officials from that organization to discuss their request for potential membership therein. Director Martin commented that there needs to be a consolidation of districts and organizations interested in this project for it to come to fruition. With further discussion of this topic, the Board directed staff to determine the current position of the Friant WA in regards to project involvement, and to gage the interests of Kaweah Delta WCD and Fresno ID in supporting the Infrastructure Authority.

Cordeniz Basin Project - Mr. Fukuda discussed additional funding possibilities for the project from the state's Prop 1 Agricultural Water Use Efficiency (AWUE) grant program. He reviewed the project's potential scoring position with respect to grant guidelines and alternatives to prepare such a grant application, which alternatives included preparation by (a) Provost & Pritchard, (b) by District staff, or (c) a shared effort by both entities.

Sinking Basin Rehabilitation Project - Mr. Fukuda next summarized grant funding opportunities for conducting a major revamping of the District's sinking basins for the propose of maximizing infiltration during conjunctive use recharge operations. He discussed the planning involved, design and construction elements, and a monitoring plan to evaluate results. He indicated that the envisioned rehabilitation plan may not be suited for funding from the state's AWUE grant program.

Upon further discussion of grant application preparations for the Cordeniz Basin project, the Board directed staff to undertake the majority of the effort to prepare an application, and to work with Provost & Pritchard to acquire all data necessary for this undertaking.

Matters for Consideration of Board Action:

Agreement with Monrovia Nursery - Mr. Hendrix indicated that prior board action in February of 2015 authorized execution of the subject agreement, and that final details regarding quitclaim documents and notarization were now underway.

Computer Server and Software - Mr. Fukuda next summarized the budgeted plan to replace the aging computer server with a new machine and software. The District's computer consultant, Calif. Computer Technologies, has priced the replacement project at \$9,400. He noted that the District's SCADA computer system is to be housed on the new server. By the motion of Director Martin and second by Director Thomas, unanimously carried by all board members present, staff was authorized to hire Calif. Computer Technologies to install the new server and associated software.

Grants Compliance Manual- Mr. Fukuda lastly summarized the need that has arisen to amend the District's policies on grant compliance to satisfy USBR for its dedicated funding for the Cordeniz Basin project. He indicated that sole-source provisions need to be added to the subject policy, and that the District's Controller has reviewed the proposed revisions and found them to be acceptable. After review of the proposed language and by the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, the revisions to the District's Grants Compliance Manual were approved as presented.

Closed Session:

The Board then adjourned into closed session in accordance with Gov't. Code §54956.9(a). There were no reportable actions taken therein and the Board thereupon returned to open session.

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 thereupon summarized the content of the February 25th meeting of the Friant WA board. He identified, as key topics of discussion, a water supply update, Temperance Flat project funding, ESA restrictions on Delta export pumping, strategic plan review, and changes to the composition and role of the advisory committee.

Director Bixler then summarized the last KRPA board meeting discussions, saying that the recent winter release power generation data was presented and that a status report of Unit No. 2 planning was given. He next made note of his attendance at a March 3rd ACWA board workshop, at which the association's business plan was formulated and a new agricultural task force was established. He lastly summarized the February 18th meeting of the Evans DC board, at which an assessment of \$30 was levied and a water service main extension by Cal Water Service Co. into the company's right-of-way was approved.

Director Martin then provided a report on the K&SJRA and KBWQA meetings held on March 3rd. He noted the nitrogen plan certification program and he and Director Borges went over the association's cash flow, the groundwater and sediment assessment reporting status, and requirements for farm evaluations.

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

J. Paul Gundry
Secretary
David H. Bester
President