

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
10th DAY OF SEPTEMBER 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; Kathi Artis, Controller; 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.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with noting that Lake Kaweah stood at about 17,000 AF in storage and that inflow was down below 20 cfs. He indicated that the District has about 325 AF in storage. He further provided an update to the payback obligations to LSID for 2013, stating that, in the end, he estimated that the District will have returned about 10,000 AF this year.

Water Management Activities - Mr. Hendrix then commented that there were no updates to the status of exchanges and transfers occurring this year.

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. He noted that mechanical weed eradication is underway, as well as dredging, dozing and turnout gate repairs. Area Pipeline repairs will soon start up. He added that some grading work will begin as well, limited in scope to the lack of water flows this year. Concerning construction projects, Mr. Fox named the completion of piping of a portion of the S-4 Ditch, the Mooney Grove Park turnout, and work on a new Evans Ditch turnout within the Evans Ditch Co. service area. He added that the Swall Basin project is complete, awaiting only the delivery of water at which time the SCADA monitoring devices may be tuned up and tested. Mr. Hendrix then added that staff is working on a proposed policy to more formally establish the billing rates charged for various types of construction work on non-District facilities.

Communications Services - Mr. Fox then outlined his evaluation of the cost effectiveness of continued reliance on the O&M mobile radio system v. the acquisition of District cellular phones for issuance to field staff. He indicated that, with the push-to-talk feature of the commercial-grade cell phones under evaluation, their usage would mirror the radio system as well as provide telephone communications when desired. He presented a cost analysis that suggested that monthly cost saving upwards of \$400 may be realized in the future. The Board indicated general support for the transition, recognizing that a trial run period may be necessary to fully determine if the proposed cell phone system will function as intended.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis brought to the Board's attention the financial statements for the month of August 2013 for their review and consideration. She cited \$4.8 million to-date for operating revenue and \$1.7 million in non-operating revenue. She then reviewed expenses and discussed trends in certain expense groupings,

to and including audit costs for 2012. She then proceeded to review the statement of net assets and changes from last year, accounts receivable details, fixed assets and construction in progress figures. Ms. Artis next reviewed graphical depictions of historical investment yields at both the County pooled fund and state LAIF. She lastly summarized the status of recent loan payments to Banc of America and associated amortization schedules.

Management Staff Reports:

Pixley Groundwater Bank - Mr. Hendrix briefed the Board on the economics of participation in the Pixley Groundwater Bank. He noted that ongoing O&M would amount to about \$275/AF for dry-year water recovery and, over a 30-year finance period, the buy-in cost per share of \$1,750 would bring the cost up to about \$1,000/AF for recovered water.

McKay Point Reservoir Project - Mr. Fukuda proceeded to show the Board some pictures of design features of the project and its inlet/outlet facilities. There ensued a dialogue with the Board as to the operation of the reservoir and use by the District and the other property owners.

Groundwater Overdraft Forum - Mr. Hendrix briefed the Board on plans to host, in concert with KDWCD, a groundwater overdraft forum in Tulare on November 18th. He noted that the purpose of the forum is one of education, bringing in speakers from other regions to discuss how their respective jurisdictions have dealt with groundwater basin recharge, extractions, and resulting aquifer storage imbalances.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held August 13, 2013 had been distributed and asked if there were any errors or omissions noted therein. There being none, upon the motion of Director Borges and second by Director Martin, the minutes of the meeting were thereupon approved as presented.

Treasurer Reports: (cont.)

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. She highlighted billings from WWC for water conveyance and easement survey work. By the motion of Director Martin and second by Director Borges, the Board accepted the financial statements and check nos. 44240 through 44321 totaling \$982,108.65 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Ratification of Investment Policy - Ms. Artis then presented the Board with the existing Statement of Investment Policy of the District, noting that no changes thereto were warranted at this time. With the motion of Director Borges and second by Director Martin, said investment policy was ratified.

Matters for Consideration of Board Action:

Evans Ditch Co., Agreement for Services - Mr. Hendrix reviewed the proposed Agreement to Provide Services for Evans DC, highlighting the insurance and indemnification clauses contained therein. Upon discussion as to such indemnification provisions and their intended function, the Board, with the motion of Director Martin and second by Director Borges, approved the execution of the agreement.

USBR Assistance Agreement - Mr. Fukuda next described the forthcoming agreement for a Settlement Part III grant award from USBR. He noted the grant project's three elements, namely the construction of the Cordinez Basin, a Friant water exchange program, and the development of a groundwater recharge plan. He further indicated that the form of agreement will be much like those executed in the past for USBR grant

funds, and provided the Board with an example of prior such agreements. Upon the motion of Director Borges and second by Director Martin, execution of the pending assistance agreement was approved.

Resolution No. 13-09 - This matter was tabled until the October board meeting.

Board of Equalization - Director Bixler thereupon called the Equalization Board to order. Mr. Hendrix indicated that no written comments have been received regarding the assessment and related valuations for 2014 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 will remain seated in this capacity for ten days to collect written comments on the relevant subject matters pertaining to the levy of District assessments for next year.

Central Valley Project - Mr. Hendrix showed for the Board's viewing a video produced by the federal government in 1949 of the development of the CVP and its favorable impacts upon California's Central Valley.

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 began with summarizing the key matters dealt with at the August 22nd meeting of the FWA. Mr. Borges identified the City of Fresno as a new FWA member, attendance by a Westlands WD (WWD) representative, the status of Rescheduling and Sec. 215 Guidelines, ACWA and CVPWA updates, Settlement issues, and the WWD water rights application assignment to FWA.


Director Borges proceeded next to summarize the conduct of the Kaweah Sub-watershed Coalition and K&SJRA board meeting held on September 5th. He also noted the separate special meeting held to discuss the RWQCB's General Order status and transition of Coalition activities to a non-profit organization. Director Martin also noted the water sampling issues that were discussed. Director Martin then summarized the conduct of the Association portion of the September 5th meeting, highlighting the discussion of riparian diversions occurring other than the DeGroot operations on Cross Creek.

Directors Borges and Bixler then noted a August 21st quarterly meeting of the KRPA, at which appointments were made for the Chair and Vice-Chair, those being Chris Cantau and David Bixler, respectively. They also noted the selection of a new insurance vendor, power generation updates, the USCE security system, and reports on the status of Unit No. 2.

The Board thereupon adjourned to closed session per Gov't. Code §54957. Upon the return to open session, it was reported that two revised job descriptions were approved, namely those for the Senior Administrator (Personnel Policy No. 1104.23) and Senior Accountant (Personnel Policy No. 1104.21).

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


Secretary


President

