

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
13th DAY OF SEPTEMBER 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, Scott Rogers and Dave Martin. Director Mike Thomas was 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. Also present was Scott Kuney, Special Counsel (via teleconference), Don Wright, a representative of the Renewable Resources Group, and Cory and Patti Lekkerkerker, landowners in the District. The meeting was called to order by President Bixler.

Public Comments:

The Lekkerkerker family representatives were introduced, whereupon they made reference to a later agenda item involving a request of theirs.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting August 9 and special meeting held on September 1, 2016 had been distributed and asked if there were any errors or omissions noted therein. There being none, by the motion of Director Borges and second by Director Martin, unanimously carried by all board members present, the minutes of those meetings were thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with comment that only a few hundred acre-feet were accrued by the District in Lake Kaweah during the last month. He made note of average precipitation conditions prevailing this past water year, to which Director Bixler commented about the state's dilemma of being unable to deliver historically-available state and federal project supplies in average years such as this one.

Water Management Activities - Mr. Hendrix noted that about 5,000 AF of additional Unreleased Restoration Flow water is anticipated for allocation to the Friant contractors, maybe 200 AF of which would be the District's share. He indicated the price to be \$150/AF, the same as the prior URF summer allocation.

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 listed grading in the northwest portion of the service area, and weed mowing and herbicide applications. Work also included turnout gate repairs, canal dredging, and wash-in fixes. Mr. Fox noted that sinking basin discing is about half completed for the season. He added that a pipe design modification has temporarily held up construction progress on the Cordeniz Basin project, but that most of the supplies and materials needed for the project are now on hand.

Used Tool Truck Purchase - Mr. Fox indicated that his participation as authorized by the Board last month did not result in a purchase of a

tool truck, as other bids for suitable trucks exceeded the authorized \$30,000 for the District. He went on to say that other options for mobile tool storage and truck bed configurations will be evaluated by staff.

Some board discussion ensued regarding the presence of weeds within the City's waste water treatment plant ponds and around some District ditches near town.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of August 2016 for the Board's review and consideration. She cited water sale revenues of \$1.4 million for the year to-date, and also income from water exchange/importation agreements and assessments. Regarding expenses, Ms. Artis noted water acquisition costs of \$1.7 million, the USBR 9(d) capital loan installment payment and other line items. She highlighted a net decrease of \$3.4 million to-date, including loan principal and capital expenses. Ms. Artis next reviewed the statement of cash flows and statement of net assets, noting certain line item in each. She made mention of construction costs for the Cordeniz Basin project now amounting to \$671,500.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.30% in the Tulare County pooled fund, .59% at the state LAIF, and 1.00% with CalTrust. She also referred the Board to the graphical depiction of such investment rate trends since January 2009. Noting total funds invested of \$7.47 million, Ms. Artis reasserted that the District possesses sufficient cash to cover six months of expenses.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. She called attention to checks written to Banc of America, USBR and engineering consultants. Director Martin asked about the ice maker purchase and Director Borges inquired as to auditor billings relative to the budget and weed retardant costs, all of which were fielded by staff. 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. 47640 through 47747 totaling \$638,451.76 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix noted that that GSA Board meets this afternoon and that the Advisory Committee meets on September 14th. He added that the primary topic at each meeting is a presentation by GEI regarding the firm's review of the Kaweah Water Resources Investigation reports. Mr. Hendrix then reported on a meeting of the Greater Kaweah GSA, which met on September 12th. At it, board members were appointed and its committee structure received discussion.

Annexation Request - Mr. Crenshaw described the annexation request being made by the Lekkerkerker family, saying that the property last received District water in February 2005 and has since been detached from the District and annexed into the City of Tulare. He said the property is located at the northeast corner of Paige Ave and Pratt St and comprises some 40 acres and remains as open agricultural ground. After discussion, the Board expressed support for annexing the property into the District, provided the mechanics of District assessment payments are identified and LAFCO requirements are satisfied.

Matters for Consideration of Board Action:

Board of Equalization - Director Bixler thereupon called the Equalization Board to order. Mr. Hendrix indicated that as of this date no written comments have been received regarding the assessment and related valuations for 2016 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.

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 August 25th meeting of the Friant WA board. He made mention of visitors from Fresno ID, analysis of the Friant-Kern Canal pump-back facilities, general membership budget trends, search for a chief operating officer, CVP water operations, and other matters.

Director Borges next summarized the August 17th meeting of the KRPA, making note of the Ragle gate removal in the Wutchumna Ditch and that Unit No. 1 generated electricity for 120 days. He also said there was discussion of automation of the USCE gate in the outlet tower and a status report of progress on Unit No. 2.

Director Martin then made mention of a short K&SJRA meeting held on September 8th, noting the discussion of future snow surveys within the Kaweah watershed. Concerning the KBWQA meeting the same day, Mr. Martin indicated that an annual meeting is set for October 6th, also that the self-certification process was discussed along with farm evaluations and \$2 million in San Joaquin Valley grant funding.

Director Bixler next summarized the content of the Wutchumna WC meeting held on August 10th and September 7th, whereat a \$200 assessment was levied at each. He went on to say that the Company intended to purchase property adjacent the east end of Bravo Lake, which will enable an increase in lake storage during winter storm periods.

Closed Session:

The Board adjourned again to closed session per Government Code §4956.9(a), §54956.9(b) and §54956.95. Upon return to open session, it was reported that the automobile accident claim of A. Salazar de Uriate was rejected on the motion of Director Borges, second by Director Rogers and unanimously carried by all board members present. The Board additionally authorized the filing of litigation on behalf of the District, its landowners and water users, subject to final approval of legal counsel and District management. The particulars of the action, defendant, and other information shall, once formally commenced, be disclosed to those making inquiry to the District.

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


Secretary

David G. Baker

President