

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
14th DAY OF MARCH 2017 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, Mike Thomas, and Dave Martin. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller and Treasurer; Beth Holmes, Senior Administrator and Assessor-Collector; Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; and Marco Crenshaw, Watermaster. Also present were Doug DeFlitch with the Friant WA; and Cecil Wright, Debbie Moore, Marvin Machado, Robert Saenz and Tony Mello, all landowners in the District. The meeting was called to order by President Bixler. It was then noted that item 6.C was added to the agenda since originally distributed to the Board.

Public Hearing:

President Bixler then opened the public hearing. Mr. Hendrix provided background as to the reason for the hearing. He made mention of historical revenue shortfalls, the impact of the recent drought and lack of water sales, and inflationary impacts. He said that the Board has concluded that an increase in the District's water sale rate is warranted, up to a maximum of \$55/AF. Mr. Wright commented that no water has been in the ditches for several years, yet he and others still pay District taxes. Mr. Machado expressed concern that this summer's sale rate could be \$55, and that this is in addition to land taxes. The Board heard several other expressions of concern and discussion over the water sale rate and what it would be set at this summer. President Bixler indicated that the Board will consider the sale rate within the next several months, and that it was unlikely that it would be set at the maximum of \$55 for this summer's irrigation run.

There being no further public comments concerning the water sale rate, President Bixler thereupon closed the hearing.

Public Comments:

Mr. DeFlitch, Chief Operations Officer of the Friant WA, was introduced by Mr. Hendrix, and Mr. DeFlitch thereupon summarized his career background, starting with service at the Friant Water Users Authority, then USBR in California and Oregon, and now again with the Friant WA in Lindsay. Mr. DeFlitch offered his services for any operational issue of concern to the District involving the Friant-Kern Canal.

Approval of Minutes:

Director Bixler then noted that the minutes of the special meeting of February 20, 2017 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 Thomas, unanimously carried by all board members present, the minutes of the meeting were thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw said that Lake Kaweah hit a high point of 102,000 AF last month and is now receding. He also indicated that about 90 canal turnouts are being delivered water. He then went on to mention diversion patterns and Friant-Kern Canal operations. Mr. Crenshaw also reviewed a graph of Terminus inflow, outflow and storage since last December.

Water Supply Outlook - Mr. Crenshaw next indicated that the snowpack water content stands at 194% of the April 1st average. He then discussed the available snow survey and sensor data and implications for future runoff this season. He also noted that rainfall at the District yard stands at 147% of normal to-date.

On-Farm Recharge Program - Mr. Fukuda next said that about 3,400 AF has been delivered to-date under the on-farm program. He then brought forth two Water User requests to participate in the program. M. Anthony, already a participant, would be willing to keep taking water and forgo a crop if paid a lease rate of \$1,500 per acre. The Board felt this was too high a price and not reflective of net revenue for a row crop. The Board consensus was that \$250 would be justifiable, but no more. Mr. Fukuda then brought up J. McClure and his proposal to take delivery for 30 days, in advance of planting trees on his ground being offered. In this instance the Board indicated that a 90-day commitment would be more appropriate.

KRPA Operations - Mr. Crenshaw presented a graph of Unit No. 1 energy generation since the turbine was activated in late December with flood evacuation releases from Lake Kaweah. He noted that 828 MW-Hrs have been generated through March 13th.

Water Management Activities - No report given.

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 stated that only 3 to 5 crew members were engaged in maintenance work, as the majority is serving in a Ditchtender capacity. Work has included grading, rut repairs and herbicide applications. Mr. Fox also made note of the Cordeniz Basin pipeline connection. Director Thomas asked about the Liberty Basin and timing of levee fixes, to which Mr. Fox indicated that the repairs must await a drawdown of water levels in the basin.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of February 2017 for the Board's review and consideration. She cited water sales of \$115,000 and total income to-date of \$237,500. She next called out a few expense items, indicating total expenses for the year of \$957,600 including capital costs. Ms. Artis continued with presenting the statement of cash flows, calling out cash on hand of \$7.63 million as of the end of February. She then proceeded with review of the statement of net assets, citing a rounded figure of \$46 million for total liabilities and equity. Ms. Artis lastly cited investment returns for the District's several holding accounts, those being 1.34% with the Tulare County Pooled Fund, .77% with the state LAIF, and 1.22% with CalTRUST.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Staff made note of billings for printing of the history book, ditch company

assessments, the 9(d) contract loan payment, and engineering consultant billings. Director Bixler asked about the status of the McKay Pt project permitting and costs, to which Mr. Fukuda provided answers. The Board thereupon reviewed the balance of the list of bills. By the motion of Director Martin, second by Director Thomas and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 48239 through 48332 totaling \$648,845.02 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix summarized recent activities, including the concerns of Wutchumna WC over the City of Woodlake's GSA membership desires, the GEI presentation before the Greater Kaweah GSA board, and the upcoming inter-basin coordination workshop amongst the Kern, Tule, Kaweah, Tulare Lake and Kings sub-basin representatives.

Matters for Consideration of Board Action:

Resolution No. 17-04 - Mr. Hendrix described the subject resolution as being required by USBR in order to execute a contract therewith for the purchase of Unreleased Restoration Flows (URF) in 2017. By the motion of Director Borges and second by Director Martin, duly put and carried by all board members present, Resolution No. 17-04 was adopted.

Resolution No. 17-05 - Mr. Hendrix described the subject resolution as being required by USBR in order to execute a temporary water service contract therewith for the purchase of CVP Section 215 water in 2017. By the motion of Director Martin and second by Director Rogers, duly put and carried by all board members present, Resolution No. 17-05 was adopted.

Resolution No. 17-06 - Mr. Hendrix thereupon advocated for a board resolution to commend Richard Zack for his efforts to write a manuscript of the District's extensive developmental history. Being in full support the Board, by the motion of Director Borges and second by Director Martin, duly put and carried by all board members present, adopted Resolution No. 17-06.

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 reviewed the March 9th meeting of the K&SJRA, highlighting the water supply update, the situation at the USCE outlet tower, and riparian water rights matters. He also summarized the same day meeting of the KBWQA, making note of non-member parcels, upcoming grower workshops, and anticipated increases in monitoring/sampling activities now with more water in the channel system.

Director Thomas next reviewed the Wutchumna WC meeting held on March 8th. He made mention of a \$325 assessment, and also discussions between Woodlake and WWC regarding groundwater sustainability agency formation and corresponding boundary overlap issues.

Closed Session:

The Board thereupon adjourned to closed session per Govt. Code §54956.8. Upon return to open session, it was reported that no reportable actions were made by the Board.

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

J. Paul Glendinning

Secretary

David G. Baxter

President