

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
12th DAY OF DECEMBER 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, Dave Martin, Scott Rogers, and Mike Thomas. Staff present at the meeting were J. Paul Hendrix, General Manager; Kathi Artis, Controller, Aaron Fukuda, Engineer; Wayne Fox, O&M Superintendent; and Marco Crenshaw, Watermaster. Also present was Matt Kidder, representing Barcellos Farms; Mike Wade representing the California Farm Water Coalition; Peter Hertzog, Andrew Howe, and Kathy Parker representing Horizon Nut Co.; and Dr. Sarjit S. Malli representing Malli Farms. The meeting was called to order by President Bixler.

Public Comments:

Dr. Malli presented the board with a formal request, in writing, to annex portions of his farming property that is located outside of the District into the District. He highlighted the location of the parcels, totaling approximately 324 acres that he is requesting for annexation into the District.

Mike Wade next provided a presentation on the Cultivate California Program. Mr. Wade shared that the program initially started in response to the Governor's Drought Proclamation and the negative attacks on farm water users. During the initial year of the program, the messaging utilized was able to shift 5% of their audience to support the use of water for agriculture. Mr. Wade then provided the Board with a proposal to continue the Cultivate California Program in 2018 adding some new efforts and requiring approximately \$730,000.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting of November 14, 2017 had been distributed and asked if there were any errors or omissions noted therein. There being none brought up, by the motion of Director Martin and second by Director Rogers, unanimously carried by all board members present, the minutes of the meeting were thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw noted that Terminus flood releases began the prior week and were ending soon, leaving storage at Terminus Reservoir as of the day prior was at approximately 11,829 AF. Mr. Crenshaw reported that during the current flood release the District brought in approximately 6,000 AF, which included water that was purchased from other Kaweah units and water available to the District via the flood release. Mr. Crenshaw provided a map showing the location of the basins and channels used during the flood release and indicated that some water was dedicated to some limited on-farm recharge ponds and grower demand.

Water Supply Outlook - Mr. Crenshaw reported the current availability of 16,308 AF of CVP Friant supplies and approximately 1,200 AF of Kaweah River supplies. He reported that this was scheduled to be utilized in January/February 2018.

Water Sale Rate - Mr. Crenshaw discussed the need to establish a rate for irrigation supplies that were sold during the current flood release, with the current Board-approved rate standing at \$43 per AF. By the motion of Director Martin and second by Director Rogers, unanimously carried by all board members present, the Winter Irrigation Season rate was set at \$25.

Water Management Activities - Mr. Hendrix reported that the District has access to recirculation water that is delivered down the San Joaquin River and through exchange is available in the San Luis Reservoir. Staff was directed by the Board to investigate utilizing the recirculated water to payback obligations to Westlands Water District, and in the event, this does not take place look for alternatives to utilize the water.

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 ditch bank mowing and grading work that is ongoing in a westerly to easterly direction through the District. He said that other work included replacement of turnouts, installation of new turnouts, application of preemergent herbicides on inner canal banks, and equipment repairs in the shop. Mr. Fox indicated that construction work at the Cordeniz Basin should resume in approximately a month after staff completes maintenance projects.

Director Thomas noted that a grower along the Rockford Canal at Avenue 92 had concerns with the placement of rip-rap on the inner banks and the rodent issues that may arise. Mr. Fox indicated that due to the stability of the canal slopes, rip-rap was needed to stabilize the banks and reduce maintenance issues.

Director Rogers discussed the use of mowers to control weeds and the increased distribution of seeds that is caused by the operations. A request was made by Director Rogers to minimize the mowing and distribution of seeds throughout the canals.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for November 2017 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that total revenue for the year to date was \$10,879,718. She highlighted major expense categories and figures, including a correction to the expenses to reflect a \$100,000 contribution to the Temperance Flat MOU. It was also noted that a payment of \$315,287 was made by the City of Tulare under the Assessment Agreement. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$11,357,558. She thereupon cited investment returns for the District's several holding accounts, those being 1.44% with the Tulare County Pooled Fund, 1.17% with the state LAIF, and 1.55% with CalTRUST. She further stated that the District has sufficient funds on hand to pay for routine expenses for a six-month period. Lastly, Ms. Artis noted that the remaining principal on the 9(d) capital repayment loan is \$7.013 million.

Ms. Artis next reported that \$200,000 was put into the LAIF account. Upon discussion with the Board, Ms. Artis was directed by the Board to place an additional \$500,000 into LAIF and \$1,000,000 into the Tulare County Pooled Fund.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Reviewed and discussed by Board members were mower rental billings, legal bills regarding the Joint Defense Agreement, drug testing fees, and an assessment for one share by the Tulare Irrigation Company. After further scrutiny of particular bills, the Board, by the motion of Director Borges, second by Director Martin and unanimously carried by all board members present, accepted the financial statements and, by said motion, check nos. 49121 through 49322 totaling \$581,874.60 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Closed Session:

The Board thereupon entered into closed session under §54956.9(b) of the Government Code. Upon return to open session, it was reported that no actions were taken while in closed session.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Hendrix stated that a Mid-Kaweah GSA Advisory Committee meeting would be held on Monday, December 18, 2017. Mr. Hendrix further explained that the Advisory Committee would be meeting more frequently to ensure that feedback from the public is being gathered and taken into consideration. It was then reported that Mid-Kaweah GSA Board meeting was scheduled for December 14, 2017, to discuss a funding proposal to be put forth for approval. The funding proposal being discussed is a 1/3 funding contribution from each MKGSA entity to be revisited at the completion of the GSP.

Temperance Flat Reservoir Project - Mr. Fukuda provided an update on the project including the current status of the Temperance Flat MOU. It was reported that eight entities have signed and paid \$100,000 each to participate in the Temperance Flat MOU, with five additional entities anticipated to join. Mr. Fukuda outlined that efforts were underway to update existing modeling to reflect comments and concerns by participating entities, with revised modeling ready for use in early January 2018. Lastly, it was reported that modeling efforts would allow entities to estimate their potential benefits to allow for an interim continuation decision in March 2018.

Okieville Basin Project - Mr. Fukuda provided an update on the Okieville Basin Project starting with the recent efforts to receive grant funding through the California Office of Emergency Services, which was receiving Hazard Mitigation Funds for Aquifer Recharge Project from the Federal Emergency Management Agency. He reported that a Notice of Intent was submitted in early November and was accepted to move toward grant funding.

Matters for Consideration of Board Action

CFWC Cultivate California - By the motion of Director Rogers and second by Director Borges, unanimously carried by all board members present, a contribution of \$5,000 was made to the CFWC Cultivate California Program.

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 covered the Friant Water Authority held on December 8th, noting the presence of several guests at the meeting. He then

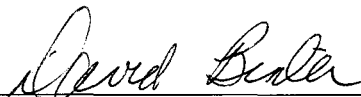
reported that the NASA aerial snow surveys have been received well throughout the State and FWA staff provided leadership during the program. Director Borges reported that during FWA meeting it was discussed that approximately 300,000 AF was lost due to subsidence in the Friant-Kern Canal.

Director Borges then summarized the content of the December 7th K&SJRA board meeting, which included the water operations report, snow sensor status, Terminus O&M activities and a report on three riparian water rights requests. As to the KBWQA meeting held the same day, Director Borges said that assessments and fees by the association are to remain the same and outreach meetings will take place in January at the AgTAC center.

Director Bixler thereupon reported that he attended the ACWA Conference in Anaheim where a new standing Agricultural Committee was approved. He also reported that during the conference at the Region 6&7 meeting, Mr. Hendrix was acknowledged as the new Vice Chair.

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

Secretary



President