

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
9th DAY OF JANUARY 2018 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; Marco Crenshaw, Watermaster; and Beth Holmes, Assessor-Collector. Also present was Matt Kidder and Luke Parriera, representing Barcellos Farms; Don Wright, representing Water Wrights; Brian Hauss, representing Westchester Global Ag.; and Larry Dotson, representing the Kaweah Delta Water Conservation District. The meeting was called to order by President Bixler. It was then noted that item 3.C 4th Quarter O&M Report - 2017, and in closed session under Item A. Water Agreements with Adjoining Agencies was added to the agenda as originally distributed.

Public Comments:

There were no comments from any members of the public to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting of December 12, 2017 had been distributed and asked if there were any errors or omissions noted therein. There being none, by the motion of Director Thomas and second by Director Martin, 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 storage at Terminus Reservoir as of the day prior was at approximately 15,965 AF.

Water Supply Outlook - Mr. Crenshaw reported the current availability of 16,308 AF of CVP Friant supplies and approximately 1,860 AF of Kaweah River supplies. He noted that this was scheduled to be utilized in January/February 2018. The Board directed Mr. Crenshaw to monitor the upcoming rainfall and storage levels with the potential to hold a special board meeting towards the end of January to finalize the details of utilizing the available supplies. Next, Mr. Crenshaw reported that 6,036 AF was run in December with 440 AF being sold to farmers. There upon, Mr. Crenshaw reported that the snowfall to date in the Kaweah Watershed was at 38% of the January 8th average and 17% of the April 1st average. Rainfall to date in the District yard was at 26% of average.

KRPA Operations - Mr. Crenshaw indicated that there was no new information to report.

Water Management Activities - Mr. Hendrix reported that there was no new information to report.

O&M Superintendent Report:

Routine Work, Outside Work Construction Projects and 4th Quarter O&M

Report - Mr. Fox reported on the maintenance activities undertaken during the past month including mowing operations just east of Highway 99 and grader operations moving from the southwest portion of the District to the East. He then proceeded to review the fourth quarter O&M report, highlighting safety training activities, field maintenance, vehicle maintenance and repairs, herbicide operations and limited construction activities. Mr. Fox updated the Board on herbicide application highlighting the application of preemergent chemicals ahead of rain.

Mr. Fox and Mr. Fukuda also updated the Board on recent attempts to repair a failed culvert on the Liberty Ditch at the Union Pacific Railroad along J Street. Mr. Fox reported that a pipeline inspection showed a failed corrugated metal pipe and a utility that had trenched and placed their facility in the pipeline. Mr. Fukuda reported that cost estimates and designs were being investigated to either provide repair inside of the culvert or abandon and construct a new culvert under the railroad. He also reported that they are seeking an easement from the Union Pacific Railroad in conjunction with the repairs.

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 the total water sales revenue for the year was \$5,928,241 and the total revenue for the year to date was \$11,082,892. Ms. Artis detailed that grant revenue of \$319,551 for the year was only 14.51% of the budget because other grant revenues collected in 2017 were recorded in earlier years so will not show up in the current financials. She highlighted major expense categories and figures that totaled expenses of 7,924,007 for the year to date. The total net income for the year to date water reported as \$3,158,885. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$11,791,385. She thereupon cited investment returns for the District's several holding accounts, those being 1.39% with the Tulare County Pooled Fund, 1.17% with the state LAIF, and 1.62% 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.

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 K&SJRA O&M fees paid by the District on behalf of the Tulare Irrigation Company, payments to Fleming Ditch Company and Persian Watson Management Inc. for water purchases, and a payment made to the Valley Ag Water Coalition for the Cultivate California program. Mr. Fox and Mr. Fukuda also noted that the District anticipates future bills for a well repair. After further scrutiny of particular bills, the Board, by the motion of Director Martin, second by Director Borges and unanimously carried by all board members present, accepted the financial statements and, by said motion, check nos. 49204 through 49322 totaling \$394,004.54 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Assessor Collector Report:

First Installment - Ms. Holmes presented the Board with a status on the collection of the first installment of the District assessment. She reported that to date the District has collected 95% of the first installment of the assessments. Ms. Holmes then reported that unpaid water tolls to date totaled \$92,572.64.

Delinquent Tax Sales - Ms. Holmes next reported on the delinquent tax sales and delivered a report to the Board indicated an unpaid tax sales balance of \$29,684.81 for years from 2008 to 2017.

Notice of Fee Increase - Ms. Holmes reported to the Board that the Tulare County Assessor/Clerk-Recorder has raised the costs of recording by \$75 per document, which will impact the costs of redemption certificated recorded by the District.

Management Staff Reports:

Groundwater Recharge Report to City of Tulare - Mr. Hendrix discussed details of the Tulare Irrigation District Report on 2017 Water Management Operations for the City of Tulare that was handed to the Board. He highlighted that 190,000 AF of water was recharged in the District of which 55,214 AF was directed into recharge basins within the District providing direct benefit to the City of Tulare.

Mid-Kaweah GSA - Mr. Hendrix stated that a Mid-Kaweah GSA anticipates increased efforts which will require more frequent meetings. Director Martin discussed the different methods for distributing costs to the members of the MKGSA and made comparisons with the methodologies employed by other GSAs in the region.

Temperance Flat Reservoir Project - Mr. Fukuda provided an updated list of agencies participating in the Temperance Flat MOU. He then discussed recent activities which included receiving requests to change the MOU that participants signed and the potential to participate in the funding of the Prop 1 Water Storage Investment Program application.

McKay Point Property - KDWCD Lease Proposal: Mr. Fukuda presented the board with a request by KDWCD to store excess dirt from their Hannah South Project on the McKay Point property between the St. Johns River and the Kaweah River. He presented two options: 1) to store the dirt on the property in a lease with KDWCD and 2) KDWCD to grade the site, allowing for the property to be leased by a farming operation. Mr. Fukuda expressed concerns with the current leasee, which was shared by the other owners of the property. Director Thomas shared concerns with adding additional farming ground while trying to address the Sustainable Groundwater Management Act. Board direction was given to terminate the lease with the current leasee, to work with KDWCD on an interim lease, and to obtain further information on developing the site as a farming operation.

Basin Boundary Modification - El Rico GSA: Mr. Hendrix presented a recent request from the El Rico GSA to process a boundary modification with the Department of Water Resources to move four sections of ground south of the District and KDWCD, but within the Greater Kaweah GSA.

Matters for Consideration of Board Action:

Okieville Recharge Basin Project - Mr. Fukuda presented and update on the Okieville Recharge Basin Project, which included the ability to apply for grants funds from the Federal Emergency Management Agency through the Hazard Mitigation Grant Program. He reported that access to the funding is contingent upon working with Tulare County to be the applicant under their Local Hazard Mitigation Plan. Lastly, he reported that several components would need to be approved by the Board to access grant funds. By a motion of Director Borges, seconded by Director Martin, and unanimously carried by all board members present, the Board approved the Cost-Match Commitment, Maintenance Assurances Letter, consulting engineer contracts (Provost & Pritchard and Montgomery & Assoc.), and the Hazard Mitigation Grant Application.

Resolution No. 18-01 - Mr. Hendrix brought to the Board's attention the subject resolution and the associated listings of appointments, proxies, and representations for the identified board members and staff. The Board acknowledged alterations to the Officers in appointing Mr. Fukuda as the Secretary and the subsequent replacement of Mr. Hendrix with Mr. Fukuda in the remainder of representation for Committee Members, Company Directors and Organizational Representatives. With these changes, Resolution 18-01 was adopted with the motion of Director Martin, seconded by Director Borges, and duly put to vote and unanimously carried by all board member present.

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 Martin reported on the activities of the K&SJRA as reported at the January 4th meeting. He then reported on activities of the KBWQA, which included the latest membership statistics, workshops to be held on January 24th and 30th at the Edison AgTAC, and grower certification workshops on February 21st and 27th.

Director Thomas next reported on the Wutchumna Ditch Company Meeting held in December. He reported that the assessment was \$425.


Closed Session:

The Board thereupon entered into closed session under §54956.8 and §54957 of the Government Code. Upon return to open session, it was reported that no actions were taken while in closed session.

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



Secretary



President