

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
20th DAY OF FEBRUARY 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, and Mike Thomas. Not present was Director Scott Rogers. Staff present at the meeting were Aaron Fukuda, Interim General Manager; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; and Marco Crenshaw, Watermaster. The meeting was called to order by President Bixler.

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 special meeting of January 31, 2018 had been distributed and asked if there were any errors or omissions noted therein. There being none, by the motion of Director Martin and second by Director Borges, 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 28,273 AF.

Water Supply Outlook - Mr. Crenshaw next reported that irrigation deliveries had just completed, with a water run that lasted approximately 17 days. He thereupon reported that final numbers for the irrigation run were not complete, however on the first day the District received approximately 100 irrigation orders in a matter of several minutes. Mr. Crenshaw reported that with the recent irrigation run Friant CVP supplies stood at zero and the District had approximately 3,096 AF of Kaweah River supplies.

Next Mr. Crenshaw highlighted the snow conditions on the Kaweah and San Joaquin watersheds. He noted that the Kaweah River watershed had approximately 6% of the April 1st average and the San Joaquin watershed had approximately 10% of the April 1st average.

Lastly, Mr. Crenshaw reported that the rain gauge in the District yard was showing 1.17 inches for January and nothing for February.

KRPA Operations - Mr. Fukuda presented an update on KRPA operations, highlighting that revenue expected to the District for 2017 generation was approximately \$1.092 million. He next updated the Board on the progress of Unit #2, highlighting an effort to determine the project power rates available on the energy market, which will impact the revenue projections for Unit #2 and the future power rates for Unit #1.

Water Management Activities - Mr. Fukuda reported that the Recirculation water assigned to the District had been transferred to Arvin Edison Water Storage District.

O&M Superintendent Report:

Routine Work, Outside Work, and Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month including mowing operations, grading operations, sand dredging operations, sand spreading operations, herbicide application and pre-emergent applications. He also highlighted pipeline repairs on Area 11, Area 12 and Area 18 pipelines.

Mr. Fox then reported on the completion of the new tool truck, which was fabricated and build by District employees. It was also reported that shop staff completed 90-day inspections of the pertinent equipment.

Equipment Purchase - Mr. Fox reported on the request to purchase a motor-grader for the District, which was reviewed with the District Equipment committee. Director Martin indicated his preference to purchase a new motor-grader that was under warranty. The Board discussed the annual usage of a motor-grader and particulars of the specific equipment being submitted for approval. By a motion of Director Borges, seconded by Director Martin and unanimously carried by all Directors present, the Board approved the purchase of 2018 Caterpillar 140M3 motor-grader under a Muni-Lease.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for January 2018 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for January 2018 was 17,326. She noted that the financial statements did not include a budget comparison as the Board had yet to approve a Preliminary 2018 Budget. Mr. Artis presented the expenses, highlighting several items but reporting expenses totaling \$425,332. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$12,050,767. She thereupon cited investment returns for the District's several holding accounts, those being 1.45% with the Tulare County Pooled Fund, 1.35% with the state LAIF, and 1.60% 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 a payment was made to bring the remaining principal on the 9(d) capital repayment loan to \$6.792 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 payments made for repairs of the District well, legal bills to the Peltzer & Richardson law firm, and spring repairs on the tool truck. 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. 49323 through 49449 totaling \$394,004.54 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Mid-Kaweah GSA - Mr. Fukuda reported on updates at the MKGSA and the Kaweah Subbasin. He highlighted consultant management assignments, adjustments in assignments of agency staff, and representation of the MKGSA at the Kaweah Subbasin Management Committee. He thereupon presented information on the award of Prop 1 funding and the progress of GEI on the MKGSA GSP.

Lastly, Mr. Fukuda presented information regarding water budgets and

the various methods for accounting for losses in ditches, canals and natural channels.

Temperance Flat Reservoir Project - Mr. Fukuda provided an update on the progress of the MOU group, which has been focused on addressing comments from the California Water Commission on the WSIP application. He also gave a report on the WSIP application and the recent comments being addressed by the consultants working on the application.

Friant Kern Canal Pump Back and Subsidence - Mr. Fukuda presented an update on the Friant Kern Canal Pump Back project, highlighting the updated designs and costs. Next an update was provided on the subsidence issues on the canal, and the status of efforts to address the capacity concerns.

Matters for Consideration of Board Action

2018 Preliminary Budget - Mr. Fukuda reviewed the District budget report as presented to the Board. He cited projected income of \$7.8 million, O&M expenses of \$6.9 million, and capital costs of \$1.8 million, the combination of which should leave the District in the range of \$11 million in cash reserves at the year's end. Mr. Fukuda highlighted key line items including the estimation of a 50% Class I allocation and a winter rate of \$43 per AF and a summer rate of \$55 per AF. He also called attention to the increased Equipment & Shop expenses due to anticipated construction activities, and increased Administration expenses associated with the expenses associated with SGMA compliance. By the motion of Director Borges, seconded by Director Martin and unanimously carried by all board members present, the 2017 Preliminary Budget was approved.

Resolution No. 18-02 - Mr. Fukuda brought to the Board's attention the subject resolution and need to approved the resolution to allow for Mr. Fukuda to sign for specific property needs on behalf of the Board. Resolution 18-02 was adopted with the motion of Director Thomas, seconded by Director Borges, and duly put to vote and unanimously carried by all board member present.

Resolution No. 18-03 - Ms. Artis brought to the Board's attention the subject resolution and need to approved the resolution to allow for Mr. Fukuda to have signatory authority on the District LAIF account. Resolution 18-03 was adopted with the motion of Director Martin, seconded by Director Thomas, and duly put to vote and unanimously carried by all board member present.

Resolution No. 18-04 - Mr. Fukuda brought to the Board's attention the subject resolution and provided background information on the Water Supply and Water Quality Act of 2018. Resolution 18-04 was adopted with the motion of Director Borges, seconded by Director Thomas, and duly put to vote and unanimously carried by all board member present.

Resolution No. 18-05 - Mr. Fukuda brought to the Board's attention the subject resolution and the need to execute a contract with the U.S. Bureau of Reclamation to purchase URF water. Resolution 18-05 was adopted with the motion of Director Martin, seconded by Director Thomas, and duly put to vote and unanimously carried by all board member present.

Resolution No. 18-06 - Mr. Fukuda brought to the Board's attention the subject resolution and the need to execute a contract with the U.S. Bureau of Reclamation to purchase Section 2015 water. Resolution 18-06 was adopted with the motion of Director Borges, seconded by Director Martin, 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 February 6th meeting. He then reported on activities of the KBWQA, which was also held on February 6th.

Director Borges reported on the activities of the Friant Water Authority Board meeting which took place on January 25th.

Director Thomas next reported on the Wutchumna Ditch Company Meeting held on January 10th and February 14th. He reported that the assessment was \$325 for February.

Closed Session:

The Board thereupon entered into closed session under §54956.8, §54956.9(a) and §54957.6 of the Government Code. Upon return to open session, it was reported that Board reached agreement on the terms and conditions of an employment contract for the General Manager, and directed that a contract reflecting those terms and conditions be considered for approval at the next public meeting of the Board of Directors.

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


Secretary


President