

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF THE TULARE IRRIGATION DISTRICT HELD ON THE  
8<sup>th</sup> DAY OF MAY 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, and Scott Rogers. Staff present at the meeting were Aaron Fukuda, General Manager; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; and Marco Crenshaw, Watermaster. Also present at the meeting was Tom Barcellos and Matt Kidder, representing Barcellos Farms. President Bixler asked if there were any changes, additions or deletions to the Agenda and none were noted. The meeting thereupon 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 regular meeting of April 10, 2018, 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 Rogers, unanimously carried by all Directors 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 168,638 AF. He then noted that the total inflow to the Terminus Reservoir for the prior day was 1,098 CFS. He then noted that the current diversions to the District were 650 CFS, which was all CVP supplies to meet the demand of 97 grower turnouts and recharge operations.

Water Supply Outlook - Mr. Crenshaw next provided an update on the water supply for the upcoming Summer irrigation season noting that he anticipated a 90% residual Class 1 supply and Terminus supply that would generate approximately 49,980 AF for a Summer irrigation run. He noted that based upon the available water, an anticipated 4.5 week run with 0.4 AF per acre was to be expected.

Terminus Power Operations - Mr. Fukuda indicated that there was no report at the time.

Water Management Activities - Mr. Crenshaw presented the Board with a report on potential Summer irrigation runs, which included an option to continue running and finish in mid-June, an option to start the Summer irrigation run in early June and finish in early July, and an option to start in early July and end at the end of July. By a motion of Director Borges, seconded by Director Rogers, and unanimously carried by all Directors present, the Summer irrigation run was set to begin diversions into the District on June 4, 2018.

Establish 2018 Summer Irrigation Rate - Mr. Fukuda and Mr. Crenshaw requested direction from the Board on establishing the 2018 Summer Irrigation Rate. Mr. Fukuda reported that based on early direction the current water rate was at \$43 per AF. He then presented a spreadsheet that analyzed the water supply, water costs and potential water rates for the 2018 water year. By a motion of Director Borges,

seconded by Director Rogers, and unanimously carried by Directors present, the 2018 Summer irrigation rate was set at \$45 per AF.

O&M Superintendent Report:

Quarterly O&M Report - Mr. Fox reported on recent activities concerning the operations and maintenance of the District system and equipment. He highlighted the completion of the Rockyford Canal reconstruction effort just east of the District office, spraying and grading operations ahead of the current irrigation run, pipeline repairs on Area 18, 90-day inspections of vehicles, and the installation of a flatbed on a truck.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for April 2018 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for January through April 2018 was \$1,069,288, which was approximately 13.65% of the budget. Ms. Artis next presented the expenses, highlighting several items but reporting expenses from January to April 2018 totaling \$3,504,661, which was approximately 40.01% of the budget. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$11,307,495. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at \$12,215,150.58 and the Total Equity in the District stood at \$38,406,896.52. She thereupon cited investment returns for the District's several holding accounts, those being 1.55% with the Tulare County Pooled Fund, 1.66% with the state LAIF, and 1.92% with CalTRUST. Lastly, Ms. Artis noted that the remaining principal on the 9(d) capital repayment loan was \$6.792 million.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. After further scrutiny of particular bills, the Board, by the motion of Director Borges, second by Director Rogers and unanimously carried by all Directors present, accepted the financial statements and, by said motion, check nos. 49611 through 49690 totaling \$699,669.26 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Audit Update - Ms. Artis indicated that she was working on the 2017 financial adjustments and would be scheduling the audit potentially in June 2018.

Management Staff Reports:

Mid Kaweah GSA - Mr. Fukuda reported on recent activities of the MKGSA and the efforts at the Kaweah Subbasin. He noted that the MKGSA had discussed and recommended the Amendment to the JPA, the Kaweah Subbasin TAC has discussed the Water Supply Accounting Framework and Data Management System, and the MKGSA Advisory Committee recently held a meeting. Lastly, Mr. Fukuda outlined a schedule for the District to discuss the Water Supply Accounting Framework, which is anticipated to result in a District approved approach by September 2018.

Friant Matters - Mr. Fukuda reported on the recent decision by the California Water Commission to approve a Public Benefit Ratio of 0.47, which included a maximum funding eligibility of \$171 million. He indicated that the decision was not received well by all parties involved, however subsequent discussions have lead to a pursuit of the project without the CWC funding. He lastly reported that the efforts the District were pursuing via participation in the MOU Group were to continue and that future discussion will be needed to determine

continuation of the project as an investors-only project.

Wutchumna Water Co. Financing - Mr. Fukuda presented a request by the Wutchumna Water Co. to provide financing for a water measurement structure that is to be constructed downstream of Bravo Reservoir. He provided a description of the project including the project costs, which was approximately \$550,000 and the anticipated financing amount. The Board discussed various terms and options. By a motion of Director Borges, seconded by Director Rogers, unanimously approved by all Directors present, it was approved to offer financing for the project costs at 3.85% for a term of 5-years.

Staffing Levels - Mr. Fukuda presented materials to indicate the current and historical staffing levels. He highlighted that the current staffing is impacted by Worker's Compensation and sick leave and necessitated the addition of another temporary staff member to allow for water operations and O&M activities.

#### Matters for Consideration of Board Action

McKay Point Letter of Intent - Mr. Fukuda presented the McKay Point Reservoir Letter of Intent for discussion with the Board. He started with an introduction of the proposed project partner, West Coast Sand and Gravel Inc. He then discussed specific sections of the Letter of Intent with the Board. After a discussion with the Board it was motioned by Director Borges, seconded by Director Rogers, Unanimously approved by all Directors present to approve and sign the Letter of Intent with the condition that a provision for site conditions be addressed in the event of a termination of the Letter of Intent.

First Amendment to Joint Powers Agreement Formation of the Mid-Kaweah Groundwater Subbasin Joint Powers Authority - Mr. Fukuda reported that the MKGSA Board has approved recommending to the TID Board that a "Modified Majority" be required and that the First Amendment be approved. By a motion of Director Borges, seconded by Director Rogers and unanimously approved by all Directors present, the First Amendment to Joint Powers Agreement Formation of the Mid-Kaweah Groundwater Subbasin Joint Powers Authority was approved.

California Employers Association Contract - Mr. Fukuda presented a contract from the CEA for a second recruitment effort for the District Engineer. He indicated that the first recruitment yielded 5 candidates that were not selected for employment. By a motion of Director Rogers, seconded by Director Borges and unanimously approved by all Directors present the California Employers Association Contract was approved.

Liberty Ditch Railroad Crossing - Mr. Fukuda reported on the leaks and issues with the Liberty Ditch Railroad Crossing. He reported that he had worked with Provost and Pritchard to develop a scope and budget for the design, permitting and bidding of the project. By a motion of Director Borges, seconded by Director Rogers and unanimously approved by all Directors present the Provost and Pritchard contract was approved.

#### Closed Session:

The Board thereupon entered into closed session under §54956.8, §54956.9(a) and §54957.6 of the Government Code. Upon returning to open session, it was reported that there were no actions taken in closed session.

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 reported on the activities of the Friant Water Authority Board Meeting, which took place on April 26, 2018. He then reported on the Kaweah & St. Johns Rivers Association meeting and the Kaweah Basin Water Quality Association meeting, which took place on May 3, 2018.

Director Bixler reported on activities reported on at the Kaweah River Power Authority meeting.

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



Secretary



President