

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD
VIA WEBEX TELECONFERENCE ON THE
11TH DAY OF August 2020 AT THE HOUR OF 9:00 A.M.**

Call to Order and Roll Call:

Mr. Fukuda reported due to the Governor's Executive Order (N-29-20) and the declared state of emergency, including current social distancing directives as a result of the threat of the COVID-19 virus, the TID Board members and TID Staff will be attending this meeting remotely. There was no physical location for this meeting. Members of the public and other officials participated in the Open Session portion of the meeting remotely via WebEx teleconference.

Directors present at the meeting held at the date and time above designated were President David Bixler, Dave Martin, Scott Rogers, and Mike Thomas. Director Rick Borges was absent. Staff present at the meeting were Aaron Fukuda, General Manager; Kathi Artis, Controller and Treasurer; Beth Holmes, Senior Administrator and Assessor-Collector; Wayne Fox, O&M Superintendent; Marco Crenshaw, Watermaster; and Jeremy Barroll, Assistant Engineer. Also present via WebEx teleconference roll call were Doug Brown, Stradling Yocca Carlson & Rauth; Kel Mitchel; Don Wright representing Water Wrights; Geoff Vanden Heuvel; Lora Carpenter, Fieldman Rolapp & Associates; Robert Porr, Fieldman Rolapp & Associates, Inc.; Rachele Berglund, Herr Pedersen & Berglund, LLP; Michael McKinney; and Jeff Simonetti, Capitol Core Group. Mr. Bixler thanked everyone for attending and announced that there was a full quorum of the Board of Directors present. President Bixler asked if there were any changes, additions, or deletions to the agenda, of which Mr. Fukuda reported one item to add. Noting Item Number 4C: Approval of Placement Agent for Loan Refinancing was necessary and considered an emergency need, approval was granted by a motion of Director Martin, seconded by Director Thomas and unanimously approved by all board members present. The meeting was thereupon called to order by President Bixler.

Public Comments:

Mr. Fukuda regrets to inform the board that last week after working on the SkyTEM project, Jim Cannia lost his life after a car accident. Mr. Fukuda stated that Mr. Cannia was a hydrogeologist specializing in the field of airborne geophysical mapping.

Mr. Wright announced Water Wrights was co-sponsoring with Chris Austin of Maven's Notebook, a Webinar titled San Joaquin Valley Water Blueprint, to be held August 12th at noon.

Mr. Fukuda gave notice that the meeting was being recorded.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting of July 14, 2020 had been distributed and asked if there were any errors or omissions noted therein. By the motion of Director Martin and seconded by Director Thomas, unanimously carried by all Directors present, the minutes of the July 14, 2020 meeting was thereupon approved.

Watermaster Report:

Lake Kaweah Storage and Operations/Water Supply Outlook - Mr. Crenshaw began his report by noting Terminus Reservoir total inflow was 66 CFS and that the entire storage at Terminus Reservoir for yesterday day was 18,516 AF. He then reported that the total daily release from Terminus Reservoir was 256 CFS.

Thereupon Mr. Crenshaw mentioned the Millerton Lake total inflow was 1,682 CFS and that the entire storage at Millerton Lake was 238,643 AF. He next reported that the total daily release from Millerton was 2,237.

Mr. Crenshaw continued with his report by indicating that the current water supply for the District stood at 759 AF. The projected January 2020 to August 2020 cumulative diversions to TID was estimated to be 48,500 AF. Mr. Crenshaw thereupon reported that the District diverted 21,362 AF in June with 13% recharged in District basins, 20% recharged in District canals, and 67% diverted to farm turnouts.

Management Activities and Issues: - No report provided.

O&M Superintendent Report:

Routine Work - Mr. Fox presented the 2020 Second Quarter Operations & Maintenance Report. He first reported on the TID Safety Program, stating that safety meetings were held on the COVID-19 Precautions and Workplace Safety, Protecting Workers from Heat Illness, and Equipment Maintenance Training.

Next, Mr. Fox reported on major maintenance projects that included: Hauling to wash ins on the Main Intake Canal; Discing bottoms of reservoirs for weed control; Clean-up of homeless encampments on ditch banks in coordination with the City of Tulare; Hauling of rip-rap and dirt to ditch slopes for erosion control; Tree trimming on Main Intake Canal; Removal of sediment from canal bottom for erosion control; Fabrication of screens for pipelines; Replacement of corrugated metal pipelines on headgates; Replacement of boards on weir structures in canals for the summer irrigation run; and the repair of a leak on Road 96 at Oakland Colony culvert.

Mr. Fox then discussed TID's vehicle and construction equipment Maintenance Program, which included: Daily service and repair on equipment in the field; Repairs to pan scrapers; Maintenance and light repair to District fleet; 90-day D.O.T. inspections; and Shop building inspections and maintenance.

Mr. Fox reported on TID's Herbicide Application Program detailing various chemicals applied to TID and Evans Ditch Company canal embankments. He noted the increase in Cooper Sulfate treatment within the District canals receiving tertiary treated wastewater.

Mr. Fox Lastly reported on Construction Projects. First mentioning the Cordeniz Basin Project reporting the following: Install over pour structure for turnouts water elevation control; Paint fence and gates; Install underground conduit and wire for SCADA equipment; and placement of sand on top of canal banks for dust control.

Next, Mr. Fox reported on the Modernization Phase II (SCADA) reporting on the following: Install sensors for measurement on control structure at Head of 5 Run Packwood (Ave 228); and Install wire for Ramp Flume at Main Canal (Watte Basin).

Treasurer Reports:

Approval of Financial Statements - Ms. Artis presented the financial statements for July 2020 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for January-July 2020 was \$2,145,051, which was approximately 27.25% of the revised budget. Ms. Artis next presented the expenses, highlighting several items and reporting expenses from July totaling \$5,443,327, which was approximately 52.89% of the revised budget. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$10,849,211. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at \$12,868,362, and the Total Equity in the District stood at \$37,006,863. She lastly cited investment return for the District's several holding accounts, those being 2.88% with the Tulare County Pooled Fund, 1.217% with the state LAIF, and 0.350% with Citizen's Money Market Fund.

Approval of Bill Payments - Ms. Artis presented the list of bills submitted for ratification and approval by the Board. She highlighted a payment to the US Bureau of Reclamation in the amount of \$662,254.12 for May, June, and July Water. Mr. Artis next noted two payments to Kaweah Delta Water Conservation District, totaling \$40,860.00 for water transferred June 2020. After further scrutiny of particular bills, the Board, by the motion of Director Martin, seconded by Director Thomas and unanimously carried by all Directors present, accepted the financial statements and, by said motion, check nos. 52128 through 52191 totaling \$1,530,357.52 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Approval of Placement Agent for Loan Refinancing - Mr. Fukuda brought to the Boards attention Stradling Yocca Carlson & Rauth Transaction Schedule for the refinancing of the Bank of America Loan. Mr. Fukuda explained the reason and need for a Placement Agent.

Thereupon Mr. Fukuda introduced Ms. Lora Carpenter and Mr. Robert Porr, District's Board approved Financial Advisors, who both work for Fieldman Rolapp & Associates. Ms. Carpenter reported that her company immediately released a Request for Proposal for Placement Agent Services on July 21, 2020, of which two proposals were received. Ms. Carpenter provided proposals from the following two companies Brandis Tallman LLC and Hilltop Securities. Ms. Carpenter reported that Mr. Porr had reviewed each submission and recommended the service of Hilltop Securities. After a lengthy discussion concerning the background, history, fees, services, and comparing the benefits of both companies. It was moved by Director Rogers, seconded by Director Martin and unanimously carried by all board members present, duly put and carried, to approve Hilltop Securities as the Placement Agent for the refinancing of the District Bank of America loan.

QuickBooks Trail - Ms. Artis gave notice that she had made the decision not to purchase QuickBooks because the program failed to provide an adequate job costing system.

Engineering Report:

Update on Engineering Activities - Mr. Barroll provided an update on engineering activities within the District. Mr. Barroll gave an update on the USBR Modernization II: Watte Measuring station. He highlighted that the contractor is currently pouring the reconstructed Watte Measuring structure.

Management Staff Reports:

COVID-19 Response Plan Update - Mr. Fukuda and Ms. Berglund updated the Board on a new Draft COVID-19 Response Plan (Plan) that had been developed to address ongoing COVID-19 related issues. Mr. Fukuda highlighted the

added COVID-19 comp-time benefit of 14 days off and identified the requirement and terms. Fukuda confirmed that the Plan would be to reassessed December 31st. Ms. Berglund concurred with Mr. Fukuda that the newly issued 2021 California Labor Laws would change, and the COVID-19 Plan would be updated at that time.

Okieville Basin Project - Mr. Fukuda reported on the Okieville Basin Project, noting that he had a meeting with the California Office of Emergency Services (CalOES) on July 22nd and was informed that the Federal Emergency Management Agency (FEMA) was potentially going to reject all projects that were submitted. He concluded by informing the Board that he would coordinate with the other projects on the next steps.

SGMA Matters - Kaweah Subbasin Update - Mr. Fukuda summarized recent activities concerning the Kaweah Subbasin. Mr. Fukuda reported that with the conclusion of the irrigation season, GSA Managers would begin to work on the Water Budget and Water Allocation Framework discussion.

Mr. Fukuda reported we had received all of the GEI/GSI data transfer that was used in the 2020 Plan. It was noted that data was lost in the data upload process, and Chris at GEI was very supportive in locating lost data.

Mr. Fukuda next described CVsalt, a very aggressive Salt and Nitrate Management Program that is tasked with providing replacement water to disadvantaged communities and rural residential homes. He then reported that the GSAs were discussing how they would participate in the process, which is likely to be at the advisory committee level.

The next topic that Mr. Fukuda brought to the Board's attention was the Prop 68 Grant. In his report, he noted progress on submitting for reimbursement of prior SkyTEM work, progress on a well metering study through Fresno State University, and potential monitoring well data acquisition.

Mr. Fukuda announced the Regional Conservation Investment Strategies (RCIS) Program had its first meeting. Mr. Fukuda stated in the Kaweah Subbasin as a whole, it will be hard to avoid fallowing some ground, and we will need to provide some sort of incentive to growers who are no longer going to be able to farm. Mr. Fukuda indicated that, in his opinion, the landowners within the Mid-Kaweah GSA land fallowing would be minimal and only used as the last resort to achieve sustainability.

Lastly, Mr. Fukuda reported on the need to establish a small 11 member Kaweah Subbasin Water Market Strategy sub-committee. Representative will be encouraged to apply. The sub-committee will select the members that will represent the Kaweah Subbasin.

Mr. Fukuda provided a report on the activities of the Mid-Kaweah Groundwater Sustainability Agency (MKGSA). He first noted that the MKGSA would begin seeking replacements for vacated seats on the Advisory Committee and begin searching for a new General Manager. He then noted that that MKGSA was working on responding to public comments provided on the GSP.

Friant Matters - Mr. Fukuda first reported on the Friant Kern Canal (FKC) Middle Reach Capacity Correction Project. He presented a summary of funding that has been identified by the Bureau of Reclamation for the project, with a breakdown of funding that was reimbursable and non-reimbursable. Next, Mr. Fukuda discussed various funding sources for the project and cash flow estimates to fund the project.

Legislation - Capitol Core Group - Phase 1 Due Diligence Proposal. Mr. Fukuda summarized the need for Capitol Core Group (CCG) services and identified the benefits of moving forward with the Phase 1 Due Diligence Proposal. Mr. Fukuda highlighted that CCG specialized in helping agencies identify funding streams for projects and other activities.

Mr. Fukuda brought to the Board attending that the Tulare Irrigation District, Consolidated Peoples Ditch Company, and Visalia and Kaweah Water Company are looking to build a reservoir called the McKay Point Project. The reservoir would create additional flood control and stormwater capture with the basin and allow the operator to create enhanced hydroelectric power delivery. Mr. Fukuda estimated that \$7 million in funding would be needed to fund the project. Capitol Core Group (CCG) believes that the McKay Point Reservoir Project could receive Federal Funding. Mr. Fukuda stated that this is a new way to find funding and a first for the District.

Thereupon, Mr. Fukuda presented the Capitol Core Group Phase 1 Due Diligence proposal. By a motion of Director Martin, seconded by Director Thomas, and unanimously approved by the Board members present, Capitol Core Group - Phase 1 Due Diligence Proposal was approved.

Matters for Consideration of Board Action:

Strategic Plan Update - Mr. Fukuda provided the Board with a copy of the Draft Strategic Plan for review and consideration. Mr. Fukuda thereupon reviewed the past meeting discussions concerning the strategic plan. Mr. Fukuda summarized the need and recommended board adopting the Strategic Plan as presented. By a motion of Director Rogers, seconded by Director Martin, and unanimously approved by a roll call vote, the Tulare Irrigation District Strategic Plan was approved.

Tulare Irrigation District COVID-19 Response Plan. Mr. Fukuda summarized the need for a COVID-19 Response Plan. Mr. Fukuda recommends board approval of COVID-19 Response Plan as presented, which provides an additional 14 days COVID-19 leave/comp-time. By motion of Director Thomas, seconded by Director Rogers, and unanimously approved by the Board members present, the TID COVID Response Plan was approved.

Tulare Irrigation District Debt Management Policy. Mr. Fukuda summarized the need for a Debt Management Policy and recommended board approval. By a motion of Director Rogers, seconded by Director Martin, and unanimously approved by the Board members present, the Tulare Irrigation District Debt Management Policy was adopted.

McKay Point License Agreement. Mr. Fukuda reported the Kaweah Delta Water Conservation District (KDWCD) is pursuing the Hannah Ranch South Project, which is a 300+ acre reservoir on Highway 245 and the Kaweah River. Unfortunately, KDWCD has not been able to market the excavated soil. Mr. Fukuda stated KDWCD had approached McKay Point Property owners with a proposal to place excavated material on the McKay Point property between the St. Johns River and the Kaweah River. Mr. Fukuda noted KDWCD is working through CEQA and permitting issues and expects that the excavation will begin in 18 months, and estimated the movement of dirt would take 1 to 2 years. By motion of Director Thomas, seconded by Director Rogers and unanimously approved by all board members present, the McKay Point License Agreement was approved as presented.

Termination Agreement - Kaweah River Power Authority (KRPA) Agreement with Kaweah & St. John Rivers Association (KSJRA). Mr. Fukuda stated that on April 6, 1982, TID, KDWCD, and KSJRA entered into an Agreement for Use of Waters of the Kaweah River for Power Generation at Terminus Dam. KRPA is in the process of selling the Terminus Hydroelectric Powerplant, and in that sale, the parties have agreed that the 1982 Agreement must be executed and upheld by the new owners. The new Owners, Terminus Hydroelectric, LLC. have entered into a new agreement with the KSJRA. By motion of Director Rogers, seconded by Director Martin and unanimously approved by all board members present, the Termination Agreement was approved as presented.

Resolution 20-09 - Authorization of Guaranty - Mr. Fukuda reported that the Kaweah River Power Authority (KRPA) entered into an Asset Sale and

Purchase Agreement in which KRPA agreed to the sale of its right, title, and interest in the Project to Terminus Hydroelectric, LLC. As a condition of the closing of the Project sale, Terminus Hydroelectric, LLC requires the District and KDWCD to execute and be bound by the terms of a Limited Guaranty of Collectability to secure certain KRPA post-closing obligation. By motion of Director Thomas, seconded by Director Rogers and unanimously approved by Roll Call Vote by all board members present, Resolution No. 20-09 was approved as presented.

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 Kaweah & St. Johns River Association (KSJRA) Meeting and the Kaweah Basin Water Quality Association (KBWQA) meeting, which took place on August 6, 2020. Noting KBQWA discussed Financials, Board Minutes, Membership, and the appointment of board members to sit on the newly formed water quality foundation.

Director Bixler mentioned attending the Evans Ditch Company Board meeting on August 6, 2020, noting a recent assessment rate in the amount of \$25.00 .

President Bixler moved the meeting to Close Session.

Closed Session:

The Board thereupon entered into closed session under §54956.8, §54956.9(a), §54956.9(b)), §54956.9(c)), §54957.6, §54957, and 54956.95 of the Government Code.

Further, it was reported that upon the motion of Director Martin and seconded by Director Thomas, unanimously carried by all board members present, the following merit raises were approved for hourly non-exempt staff:

- D. Ford - Ditch Tender 2 - Step 3
- M. Flores - Ditch Tender 1, Step 2
- R. Nablo - Light Equipment Operator 2, Heavy Equipment Operator 1
- M. Bullard - Herbicide Applicator 1, Step 2
- J. Frausto - Ditch Tender 3 - Step 4
- D. Ford - Light Equipment Operator 1, Step 2
- V. Baker - Senior Accountant 3 - Step 4
- E. Holmes - Senior Administrator 3 - Step 4

Mr. Fukuda noted that the next Board Meeting would be held on September 8, 2020.

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



Secretary



President