

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD
VIA WEBEX TELECONFERENCE ON THE
14TH DAY OF JULY 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, only TID Board members and TID Staff will be attending this meeting in person. Members of the public and other officials participated in the meeting via WebEx teleconference.

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. Director Scott Rogers 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; Jeremy Barroll, Assistant Engineer; and Riley Nolan, Summer Intern. Also present via WebEx teleconference roll call were Doug Brown, Stradling Yocca Carlson & Rauth; Kel Mitchel; Don Wright representing Water Wrights; Geoff Vanden Heuvel; and Robert Porr, Fieldman Rolapp & Associates, Inc. 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 there were none. The meeting was called to order by President Bixler.

Mr. Fukuda introduced Riley Nolan, Summer Intern, to the Board. Mr. Nolan is currently an Engineering Student at California Polytechnic State University (CA Poly) and grew up in San Diego.

Public Comments:

No public comments were given.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting of June 9, 2020 had been distributed and asked if there were any errors or omissions noted therein. By the motion of Director Thomas and seconded by Director Martin, unanimously carried by all Directors present, the minutes of the June 9, 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 146 CFS, and that the entire storage at Terminus Reservoir for yesterday day was 41,861 AF. He then reported that the total daily release from Terminus Reservoir was 1,060 CFS. He lastly stated that total diversions in the District for Monday, July 14th was 770 CFS.

Mr. Crenshaw continued with his report by indicating that the current water supply for the District stood at 1,470 AF. The projected January 2020 to July 2020 cumulative diversions to TID was estimated to be 48,554 AF. Mr. Crenshaw thereupon reported that the District diverted 9,640 AF in June with 16% recharged in District basins, 16% recharged in District canals, and 42% diverted to farm turnouts.

Management Activities and Issues:

Mr. Fukuda reported on Water Management Activities reporting purchases of some local Kaweah River Supplies at \$50.00 per AF and \$60.00 per AF.

O&M Superintendent Report:

Routine Work - Mr. Fox provided an update on operations and maintenance activities during the past month. Mr. Fox noted ongoing work consisting of trash removal, pre-emergent herbicide applications, and copper sulfate treatments throughout the District. Mr. Fox highlighted that the entire footprint of the District was sprayed with pre-emergent herbicide within three weeks to control the weeds. Mr. Fox stated we are gearing up for Fall maintenance. Lastly, Mr. Fox provided a 2020 Maintenance Project List noting order of priority, project start date, project projected end date, and estimated time needed to complete each project.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis presented the financial statements for June 2020 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for January-June 2020 was \$2,042,688, which was approximately 25.95% of the revised budget. Ms. Artis next presented the expenses, highlighting several items and reporting expenses from May totaling \$3,900,651, which was approximately 37.90% 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 \$10,920.622. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at \$12,985,605, and the Total Equity in the District stood at \$38,006,781. She lastly cited investment return for the District's several holding accounts, those being 2.530% with the Tulare County Pooled Fund, 1.2173% 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 Stewart Title Company in the amount of \$250,000 for a deposit payment on the Seaborn Property. Mr. Fukuda noted a payment to Innovative Controls Inc., totaling \$73,131.42, describing this is TID's part of a Grant Share project. 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. 52016 through 52127 totaling \$985,265.43 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

2019 Financial Statements & Audit - Status update - Ms. Artis told the Board that most of the 2019 audit work has been done and that she would soon be delivering it to the auditor. Mr. Artis explained that an internal policy requires the District to change auditor every three years. The District will be contracting with Cuttone and Mastro Certified Public Accounts, which is the same firm that has been doing the District audit, but a different partner will conduct it.

Refinancing of Bank of America Loan - First Mr. Fukuda presented the Board with a 20-Year Amortization Schedule and particular (Terms/Rates and Fees) associated with the 2010-2030 \$9.98 million Installment Purchase Contract with Bank of America to fund the United States Bureau of Reclamation acquisition of water entitlements, water system improvements, and the construction of the District's Administration and O&M Facility. He then noted that the balance of the loan stood at \$5,864,749.38, which is at an interest rate of 3.85% over 20 years (2010-2030). Mr. Fukuda lastly noted that the pre-payment penalty on the loan had expired on March 1, 2020.

Thereupon Mr. Fukuda introduced to the Board two Financial Consultants: Doug Brown of Stradling Yocca Carlson & Rauth (Present in person); and Robert Porr of Fieldman Rolapp & Associates, Inc. (via telephone). Mr. Fukuda began by describing the benefits, long history, and specialized services provided by each professional service. Highlighting that Mr. Brown specialized in Bonds Counsel and Mr. Porr specialized in Municipal Financing. Mr. Fukuda further recommended using the services of Mr. Brown and Mr. Porr to assist the District in achieving favorable rates and terms on refinancing the Bank of America loan.

Mr. Brown and Mr. Porr together described the benefits and the refunding process, which would refinance the remaining principal of the existing Bank of America loan at a lower interest rate, sighting interest rates at 2.3% -2.7% with attractive savings and maturity dates and terms.

The Board thereupon discussed the reasons to retain the services of a financial advisor, associated costs, and the likelihood of faring no differently should the District received bids from different banks. Mr. Fukuda explained in detail the advantages.

Status of Assessment: Ms. Holmes provided an update on the collection of the 2020 assessments noting that of the total 2,408 parcels assessed for a total of \$2,040,281.45, 135 parcels with assessments of \$9,245.99 were yet to be collected. She thereupon provided a report indicating five parcels would be submitted to the County of Tulare for inclusion on the 2020-2021 Tulare County tax roll. Ms. Holmes remarked that District's landowners had not had an issue with paying their assessments during this COVID-19 Pandemic.

Engineering Report:

Update on Engineering Activities - No report provided

Internet and Telephone Upgrade Proposal - Mr. Fukuda brought to the board attention the need and desire to upgrade the District's internet and phone service. He began by giving a history of the District communication system, reporting on problems, and monthly costs associated with the current AT&T's Cooper T1 internet and landline phone service. Mr. Fukuda presented to the board for review and consideration a quote from Comcast fiber optic internet service; and quotes from (1) Sebastian Mitel and (2) Verizon One Talk. Staff recommends upgrading to Comcast fiber optic line at an estimated monthly cost of \$660-\$810 per month and a new service agreement with Verizon One Talk VoIP system with an estimated monthly cost of \$460.00The Board indicated its willingness to upgrade the internet and phone service and directed District staff to proceed.

Management Staff Reports:

COV1D-19 Response Plan Update - Mr. Fukuda reported to the Board that

District Management staff will continue to monitor the COVID-19 situation, and safety guidelines are updated to minimize exposure. Mr. Fukuda stated that he would be upgrading current written guidelines addressing policy if he would become sick.

SGMA Matters - Kaweah Subbasin Update - Mr. Fukuda summarized recent activities concerning the Kaweah Subbasin. Mr. Fukuda reported on the following: Groundwater Sustainability Plan Document; Data Requests; Monitoring well data gaps; and that Stanford continues with the SkyTEM data incorporation into the Kaweah Subbasin Groundwater Model. Mr. Fukuda mentioned a Provost & Pritchard pilot program that will be using a new camera technology, whereby each GSA will get two wells, and Prop 68 Grant will pay for the pilot program.

Mr. Fukuda summarized the recent activities at the Mid-Kaweah GSA, reporting that Mid-Kaweah's Comment period closed on June 3, 2020, and DWR received eight (8) comments. Comments were submitted from the following: California Department of Fish and Wildlife, California Department of Water Resources - Division of Flood Management, Central Valley Flood Protection Board, Animal Legal Defense Fund, Leadership Counsel, Various Non-Profit Organization Co-Signed Letter, The Nature Conservancy, and Kristen Dobin - UC Davis Graduate Student. Mr. Fukuda stated that DWR received one comment after June 3rd Comment period ended from Dairy Cares.

Friant Matters - Mr. Fukuda first reported on the Friant Kern Canal (FKC) Middle Reach Capacity Correction Project noting that the EIS/EIR Public Review process closed and that the Bureau of Reclamation had received a handful of comments. He then indicated that FWA and Bureau of Reclamation staff were addressing those comments. Next, Mr. Fukuda noted that the Feasibility Report completed, and FWA approved using the Bureau of Reclamation as the acting contracting agency.

Next, Mr. Fukuda updated the Board on the FKC Middle Reach Capacity Correction Project Funding, reporting that FWA staff had identified \$51.45 million in funding. The project can be funded by federal or state grants, OM&R funding, or GSA funding. Mr. Fukuda provided a chart showing where the money is coming from: Mandatory SJRRP Funds - (PL 111-11 sec 10203.a.) (Non-R) \$23.90 Million; WIIN Act Funding (non-R)(Share)\$2.20 Million; FWA OM&R Budget FY 2020 (Share) \$5.00 Million; WIIN Act Funding FY 2020 (non-R)(Share)\$2.35 Million; and SJRRP Funds (PL 111-11 sec 10203.c.) FY 2021 (Non-R) \$18.00 Million. Mr. Fukuda then noted that FWA had solicited Zone 3 funding, and \$280 million of interest has been shown. Lastly, Mr. Fukuda reported that the Bureau of Reclamation had requested \$71 million in funding for the next fiscal year for the project.

Legislation - No report was given

McKay Point Reservoir - Mr. Fukuda reported that the Seaborn Property was in escrow, and District staff was working through a due diligence period. Mr. Fukuda next said that due to new regulations and timing of the last draft of the McKay Point Reservoir Environmental Impact Report, many sections must be updated, and the District will likely need to conduct a new Notice of Preparation public hearing process. Lastly, he noted that SESPE is working on updating the EIR.

Matters for Consideration of Board Action:

Consideration of Professional Services Agreement for Municipal Advisor Fieldman, Rolapp, and Associates - Mr. Fukuda summarized the need for a financial advisor and recommended board approval to enter into a professional services agreement with Municipal Advisor Fieldman, Rolapp and Associates.

Consideration of Terms of Retention for Stradling, Yocca, Carlson & Rauth
Mr. Fukuda summarized the need and recommended board approving
Consideration of Terms of Retention Agreement with Stradling, Yocca,
Carlson & Rauth.

Mr. Fukuda again highlighted the differences and responsibilities of each company noting each company's long-term history. By a motion of Director Martin, seconded by Director Thomas, and unanimously approved by the Board members present, both the Municipal Advisor Fieldman, Rolapp and Associates professional service Agreement and the Stradling, Yocca, Carlson & Rauth Terms of Retention Agreement were both approved as presented.

Resolution NO. 20-08 - Placing Delinquent Assessment of County Tax Roll - Ms. Holmes presented a resolution needed to place direct charges (special assessments - Liens 2014) on the secured tax roll. By motion of Director Thomas, seconded by Director Martin and unanimously approved by all board members present, Resolution No. 20-08 was approved as presented.

Consideration of Limited Guaranty of Collectability and Agreement Proportioning Liability Under Guarantee or Collectability - Mr. Fukuda provided an overview of the guaranty. He recommended the Board approve the Consideration of Limited Guaranty of Collectability and Agreement Proportioning Liability Under Guarantee or Collectability. By a motion of Director Borges, seconded by Director Thomas, and unanimously approved by the Board members present, the Agreement was approved as presented.

Agreement for Sharing the tTEM System Between Stanford University and Tulare Irrigation District - Mr. Fukuda next discussed and recommended board approving a 50%/50% Agreement for Sharing the Towable Transient Electromagnetic (TowTEM) System Between Stanford University and Tulare Irrigation District. Mr. Fukuda reported this agreement spells out the cost-sharing relationship and the ownership and maintenance responsibilities of each party. By a motion of Director Borges, seconded by Director Martin, and unanimously approved by the Board members present, the agreement was approved as presented.

U.S. Department of Interior Bureau of Reclamation Assistance Agreement: R19AP00232 Kaweah Basin Water Marketing Strategy - Mr. Fukuda provided an outline and recommended the Board approve the U.S. Department of Interior Bureau of Reclamation Assistance Agreement: R19AP00232 Kaweah Basin Water Marketing Strategy. Mr. Fukuda noted that the USBR would provide \$400,000 in funding to help establish a water marketing strategy in the Kaweah Subbasin. Tasks would include Outreach and Partnership Building, Scoping and Planning, Decision Support Tools, and Grant Administration. Total project costs were estimated to be \$832,000. By a motion of Director Thomas, seconded by Director Borges, and unanimously approved by the Board members present, the Agreement was approved as presented.

Consideration of Wage/Salary CPI Adjustment - Mr. Fukuda presented the following information: Southern California Tri-County CPI: 0.86% Increase and US Cities CPI: 0.12% Increase. Mr. Fukuda reported that the modest increases are due to a rise in food prices, which were counterbalanced against decreases in the energy prices, driven by a drop in gasoline prices. By the motion of Director Borges, seconded by Director Thomas, the motion was carried by board members present, with the Abstention of Director Martin, that a 0.5% increase shall be applied to all wage and salary rates at the District, effective in July.

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 discussions at the last strategic planning meeting of the Board held in furtherance of the Strategic Plan. Mr. Fukuda discussed the various elements of the Strategic Plan and indicated that the Board could consider the adoption of the plan or

further discussion.

Mr. Borges requested that the Strategic Plan approval be moved to the August Board meeting; all Directors present concurred.

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. Upon returning to open session, it was reported that no actions were taken.

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 Kaweah & St. Johns River Association (KSJRA) Meeting and the Kaweah Basin Water Quality Association (KBWQA) meeting, which took place on July 9, 2020. Reporting the following: No new memberships; Annual Meeting will be held at the Wyndham on October 15th; 24 Well Samples, Water Fill Station averaging 240 gallons a day, and a 270-day window CVsalt.


Mr. Borges mentioned attending the Kaweah River Power Authority Board Meeting on Jun 19, 2020. Noting close of escrow and hopes that the company brakes even.

Director Thomas reported activities of the Wutchumna Water Company meeting held on July 8, 2020. He stated the water stock assessment rate was set at \$325.00 per share.

Mr. Fukuda noted that the next Board Meeting would be held on August 11, 2020.

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


Secretary


President