

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE TULARE IRRIGATION DISTRICT HELD ON THE  
11<sup>th</sup> DAY OF JUNE, 2019 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. Absent from the meeting was Director Scott Rogers. 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; Bill Sario, District Engineer; and Jeremy Barroll, Assistant Engineer. Also present at the meeting was Lawrence O'Leary, Mike Lane, Ed Henry, and Johnny Gailey. President Bixler asked if there were any changes, additions or deletions to the Agenda, which Mr. Fukuda reported that there were no changes. 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 May 14, 2019, had been distributed and asked if there were any errors or omissions noted therein. By the motion of Director Borges and second by Director Martin, unanimously carried by all Directors present, the minutes of the meeting were thereupon approved as corrected.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began his report by noting Terminus total inflow was 3,568 CFS, which would be peaking in the next couple of days and that the entire storage at Terminus Reservoir for the current day was 156,688 AF and the total release from the reservoir was 2,599 CFS. He then reported that total diversions into the District for the day were 985 CFS with approximately 150 users receiving water. Mr. Crenshaw next provided storage operation charts for Terminus Reservoir and Millerton Reservoir. He estimated that the lake would be full by June 28<sup>th</sup>. TID will receive 100% of its Class 1 supply from the Friant Division. The goal is managing flood release and bringing in more CVP day-by-day.

Mr. Crenshaw noted that Terminus remains in a potential flood release mode for the foreseeable future. Mr. Crenshaw said there was approximately 48,355 AF in Lake Kaweah assigned to TID, which includes Wutchumna storage at Lake Kaweah in the amount of 17,577 AF. The projected January to December 2019 cumulative diversions to TID was estimated to be 286,228 AF.

Thereupon, Mr. Crenshaw provided charts of the snow water content in the Kaweah Watershed and the San Joaquin Watershed, noting that the Kaweah Watershed was at approximately 334% of the June 10<sup>th</sup> average. He also pointed out that the DWR April-July Kaweah runoff was projected to be 182% and 180% of the average for the Kaweah and San Joaquin watersheds respectively.

Next, Mr. Crenshaw provided an estimated current water supply status for the District noting CVP supplies of 32,388 AF and 48,355 AF in Kaweah supplies, totaling 80,743 AF in total quantities to date.

Thereupon, Mr. Crenshaw updated the Board on current supplies being diverted to the District. He first noted that based upon Friant Uncontrolled Season supplies and demand, he anticipated shutting off surface water diversions towards the end of August and not going into September.

Mr. Crenshaw reported that the District diverted 48,594 AF in May, which included some on-farm recharge, recharge deliveries to the City of Visalia, and 34% of the diversions were delivered to turnouts.

Water Supply Outlook - Mr. Fukuda presented a final State Department of Water Resources Sierra Nevada snowpack survey report for 2019, the snowpack measured 202% of the average for this time of year. He also reported on the Airborne Snow Observatory (ASO) May 2019 Snowpack Summary highlighting San Joaquin and Kaweah flight dates, Comparison of April-July (AJ) Seasonal Runoff Forecasts Comparisons depicting Snow Water Equivalent (SWE) changes, Accumulated SWI, Total Precipitation and Rain. Measured sites included: Kaweah River below Terminus Reservoir, Kings River Below Pine Flat, Merced River Below Merced Falls, San Joaquin River inflow to Millerton Lake, Tuolumne River below La Grange, and Tuolumne River inflow to Hetch Hetchy. Mr. Fukuda stated that Tuolumne is the only basin where ARS is not modeling to the valley reservoir. Mr. Fukuda pointed out ARS AJ is observed flow to May 29<sup>th</sup> plus SWE volume shows runoff efficiency of 1.0 amounting to no losses.

Water Rate - Mr. Fukuda reported that the TID Revised 2019 Budget was developed based on the current water sales rate being \$45 AF, which projected a surplus projected at \$916,000. No direction was provided by the Board to adjust the current rate.

KRPA Report - Mr. Fukuda first reported that the plant was down early in the season due to a programming glitch. He stated that Mark Larsen is anticipating a good generation year with approximately \$4 million in revenues. Mr. Fukuda noted that the Revised 2019 Budget reflects \$750,000 in revenue with the anticipation that roughly \$250,000 will be needed to increase the KRPA reserves.

Mr. Fukuda reiterated that the contract with Southern California Edison will expire in March 2020 and that hydropower is not as profitable due to the significant increase in solar power generations. He indicated that KRPA is working on a program with Shell to purchase power after March 2020.

Water Management Activities and Issues - Mr. Fukuda brought to the Boards attention that Uncontrolled Season Unlimited was anticipated to extend into the end of June or early July. He stated that negotiations are being made to purchase additional Kaweah Water from various landowners. He also mentioned that he would be working with KDWCD and growers around the TID boundary to deliver water at 1.5 times the current rate as long as excess surface water supplies were available.

#### O&M Superintendent Report:

Routine Work and Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month. Mr. Fox highlighted herbicide application, copper sulfate applications, shop repairs, vehicle maintenance, facility and shop maintenance, which included painting and yard work.

Mr. Fox reported on construction activities within the District, noting that construction on the Cordeniz Basin project continues. He mentioned that the Engineering Department would be going over the details of the construction jobs.

CARB Equipment Replacement - Water Truck Purchase: Mr. Fox reported that in keeping up with California Air Resources Board CARB Compliance requirements for January 1, 2021, he met with the Equipment Committee members and considered three options to replace Unit No. 8302, a 2001 Sterling Water truck, with 18 years of service. The committee recommends purchasing a Gibbs (NJPA) 2020 International HV 507 Cab & Chassis. After a lengthy discussion, it was moved by Director Thomas and second by Director Borges, unanimously carried by all Directors present, to approve the purchase of one Gibbs (NJPA) 2020 International HV 507 Cab & Chassis and to have McLellan install the existing tank to the new cab and chassis.

#### Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for May 2019 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for January through May 2019 was \$3,471,173, which was approximately 40.12% of the preliminary budget. Ms. Artis next presented the expenses, highlighting several items, and reporting expenses from January to May 2019 totaling \$5,082,051, which was approximately 47.59% of the preliminary budget. She then went on with presenting the statements of cash flows and net assets, stating that the current cash standing was at \$9,984,970. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at \$12,428,708 and the Total Equity in the District stood at \$36,836,252. She thereupon cited investment returns for the District's several holding accounts, those being 2.08% with the Tulare County Pooled Fund and 2.449% with the state LAIF. Ms. Artis also noted that there were sufficient funds for six months of expenses.

Approval of Bill Payments - Ms. Artis presented the list of bills submitted for ratification and approval by the Board. Highlighting two payments to US Bureau of Reclamation, one payment for April Uncontrolled Season Class 2 Water for approximately \$688,777.44 and a second check for \$100,000 for Unreleased Restoration Flows. After further scrutiny of particular bills, the Board, by the motion of Director Borges, seconded by Director Martin and unanimously carried by all Directors present, accepted the financial statements and, by said motion, check nos. 50928 through 51033 totaling \$1,286,665.13 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

#### Engineering Report:

Update on Engineering Activities - Mr. Barroll presented a report on the Cordeniz Basin and Serpa Ditch Realignment Construction Project reporting that the crew finished the following: construction of two inlet structures, installation of valves and canal gates, and the completion of the rough grading banks on the eastside of the South Basin.

Mr. Barroll next gave an update on the On-Farm Recharge Program that ended on April 7, 2019. The program delivered 1,446 AF to grower fields and 1,224 AF to grower recharge pits, making the On-Farm program year-to-date total 2,670 AF.

#### Management Staff Reports:

Mid-Kaweah GSA - Mr. Fukuda presented the Kaweah Subbasin SkyTEM report detailing the Hydrogeologic Framework Report, 2D profiles and surfaces, 3D images, and a Google Earth Interactive KMZ file. Mr. Fukuda mentioned the report is very detailed and surprisingly showed that Corcoran Clay might not be as extensive as expected to the east and that shallow aquifers on the East may be smaller than initially believed.

Mr. Fukuda stated GEI/GSI had done the initial model runs. The Basic data: 1) Average Hydrology, 2) Historical hydrology, 3) Historical Hydrology in reverse order. Documentation included: 1) Results of Base Scenarios; 2) Results Compared to Minimum Thresholds in MKGSA - Average.

Mr. Fukuda thereupon updated the Board on activities of the Mid-Kaweah Groundwater Sustainability Agency (MKGSA). He began by indicating that sections of the GSP have been drafted, and significant progress has been made by the MKGSA General Manager. Mr. Fukuda stated the goal is to have draft GSP prepared by July 15<sup>th</sup>.

Next, Mr. Fukuda discussed Sustainable Management Criteria addressing the water quality undesirable results. He noted that the current approach is to establish the Maximum Contaminant Level (MCL) as the minimum threshold for all monitoring sites. He then provided an alternative that would set the minimum threshold based on the beneficial use. After a lengthy discussion, the Board agreed with the approach.

Friant Matters - Mr. Fukuda began his report with an update on Temperance Flat activities noting that the 2019-2020 Draft Budget was approximately \$150,000, which would be covered by three members. He then gave an update on other Temperance Flat Activities: MOU Group - August 2019 finalize Cost/Benefits Report; TFRA Group - Agencies to discuss benefits analysis; and Water Agencies/Investors - End of 2019 determine participation in TFRA.

Next, Mr. Fukuda addressed revisions to FWA OM&R Cost Recovery Methodology, which he highlighted comments to the methodology included: 1) Extraordinary Maintenance (greater than 50% of the O&M Budget) should have a special project participation agreement, and 2) the Methodology should apply to the 2019-2020 FWA Budget.

Mr. Fukuda next gave an account of FWA Subsidence Fix which included the adoption of a resolution establishing a preliminary local FWA cost share in the amount of \$50 Million which was based on an analysis that investigated the costs to upper units if the subsidence restricts deliveries to lower districts and increases in O&M costs would be absorbed by upper units. Mr. Fukuda stated that FWA approved a letter to GSA's outlining concerns with groundwater overdraft and impacts to the Friant Kern Canal.

Mr. Fukuda thereupon reported that FWA is re-negotiating a San Joaquin River Restoration Flow Recirculation agreement with districts that can pump and recirculate the water. Mr. Fukuda said that Recirculation districts want upwards of \$150 per AF. FWA staff have been directed to get this to \$125 AF.

Legislation - Mr. Fukuda presented a brief legislative update on SB 487, SB 559, and the Water Tax. Mr. Fukuda noted that the State Senate voted and passed SB 559 providing \$400 Million for FWC Subsidence Funding.

Lastly, he noted that the Governor had dropped the Water Tax but ACWA, through the 2019 Conference Committee has a Safe Drinking Water Fund which would provide \$100 million from GGRF and \$30 million from

General Fund. Fukuda noted that all funding would sunset in 2030.

Matters for Consideration of Board Action:

Review and Approval of Revised 2019 Budget - Mr. Fukuda provided a discussion of the Revised 2019 Budget noting several critical components of the report. He reported that the revised revenue is anticipated to be approximately \$12.75 million, of which the District expected revenues from the water operations to be roughly \$7.7 million. Next, Mr. Fukuda noted that expenses were anticipated to be approximately \$11.83 million, with operations and administration being \$9.59 million and capital outlay being \$2.23 million. Mr. Fukuda noted that cash reserves at the end of the year would stand at approximately \$11.60 million. It was moved by Director Borges, seconded by Director Thomas and unanimously approved by the Board members present, that the Revised 2019 Budget be approved as presented.

Montgomery & Associates SGMA Technical Support - Mr. Fukuda provided a letter from Montgomery and Associates, indicating their recommendation to provide technical support to the District in reviewing the MKGSA GSP. Mr. Fukuda noted that based on the timing and the current workload of District staff, having Montgomery and Associates review critical sections of the MKGSA GSP and provide feedback would be beneficial. By a motion of Director Borges, seconded by Director Thomas, and unanimously approved by the Board members present, it was approved to utilize Montgomery and Associates to provide technical support in reviewing the MKGSA GSP.

Closed Session:

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

Upon returning to open session, it was reported that upon the motion of Director Borges, seconded by Director Thomas, and unanimously carried by the Board members present, the Agreement for a Water Exchange Program and Water Transfer Program with Westside Mutual was approved. It was further reported that upon the motion of Director Martin, seconded by Director Borges, and unanimously carried by the Board members present, the San Joaquin River Restoration Flow Recapture/Recirculation Exchange and Purchase Agreement with Westside Mutual was approved.

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.

The Directors noted that no new information needed to be reported.

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



Secretary



President