

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
11th DAY OF AUGUST 2015 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, Mike Thomas, Scott Rogers and Dave Martin. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; and Marco Crenshaw, Watermaster. Members of the public in attendance were Ken Richardson, District Counsel; Don Wright, representative of Renewable Resources Group; Don Dorman, Tulare City Manager; Kevin McCuster, Calif. Water Service Company; Kim Loeb, City of Visalia Natural Resources Manager; and Dennis Mills, Kings County WD General Manager. The meeting was called to order by President Bixler.

Public Comments:

Director Thomas reported on the progress made by the City of Los Angeles on capturing the flows of the Los Angeles River for groundwater recharge prior to its outfall in the Pacific Ocean. He also mentioned the formation of the Friant North Water Authority and its newly-hired manager. Mr. Wright then made note of his efforts to promote new groundwater recharge and infiltration methods in So. California with the use of soil infiltration enhancement techniques.

Public Hearing:

Mr. Hendrix summarized the key elements of the Sustainable Groundwater Management Act (SGMA) and the District's efforts to comply therewith. He then announced that the purpose of the public hearing is to consider the District's approval of the joint powers agreement with the cities of Tulare and Visalia for the formation of a Groundwater Sustainability Agency. Mr. Richardson then proceeded to summarize the contents of the joint powers agreement.

Mr. Hendrix then called for comments from the public in attendance. Mr. Mills thereupon stated that (1) a more specific and detailed map should be forthcoming from the agencies that specifically identifies their collective jurisdictional boundaries, (2) clarification is needed in the subject agreement as to boundary changes over time, and (3) the notification to the state DWR of the intent to form as a sustainability agency should proceed more slowly in order that other would-be sustainability agencies may also provide notice in a coordinated fashion. Mr. Dorman next expressed thanks to the District in its cooperation to form as a sustainability agency. Mr. Loeb also expressed similar appreciation in working with the District on water management activities and on compliance with SGMA. Director Martin commented that the steps being taken are in their infancy, and that the various pieces will come together over time. He added that area farmers have been coping with the drought and falling groundwater levels, and are generally of the opinion that something must be done to deal with this. With no further comments being made, the public hearing was then concluded.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held July 14, 2015 had been distributed and asked if there were any errors or omissions noted therein. There being none, by the motion of

Director Borges, second by Director Thomas and unanimously carried by all board members present, the minutes of that meeting were thereupon approved as presented.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw said Lake Kaweah storage is now down to 20,000 AF and that inflow is only 20 cfs.

Terminus Hydropower Operations - Mr. Crenshaw then reviewed a graph of Unit No. 1 turbine flow v. power production for this year and last. He indicated that production occurred through July 24th, and that about 318 MW-hrs was the estimated energy produced. At the behest of Director Thomas, discussion then ensued concerning the power enhancement program of KRPA this season with Wutchumna WC.

Water Management Activities - Mr. Hendrix noted that the City of Tulare, in response to the Governor's water conservation mandate, has achieved a 37% reduction in water usage. He added that the final tally of water sent down the San Joaquin River for use by the Exchange Contractors will be in the 60,000 to 70,000 AF range.

O&M Superintendent Report:

Routine Work, Outside Work, Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month in the delivery system and within upstream diversion channels. He named activities including dozing canal inverts, weed spraying, mowing of smaller ditch banks, sediment excavation, and trash removal. He went on to summarize the work being done on remaining City of Tulare storm water basins. Mr. Hendrix commented that staff is working on a proposal to be ultimately given to the City on a long-term maintenance plan. Mr. Dorman stressed that tying such maintenance and rehabilitation work to enhanced groundwater recharge will be advantageous to the City's ability to garner future funding for the work. Mr. Hendrix added that a SCADA system to monitor basin operations may increase the ability to make use of basins for recharge while still protecting their storm water function. Mr. Fox concluded his summary with noting that work continues on sinking basin rehabilitation.

Equipment Acquisition, Repairs - Mr. Fox reviewed the need to acquire another John Deere scraper in order to keep pace with sinking basin rehabilitation projects and that grant monies may be used towards the purchase. Mr. Fukuda added to the discussion as to how scrapers are used on sinking basin sediment removal jobs. Director Martin indicated that the Equipment Committee was in support of the scraper purchase with access to grant funds and, by his motion and the second of Director Rogers, unanimously carried by all board members present, a lease-to-buy acquisition of a John Deere Model 2014D scraper was approved.

Next, Mr. Fox outlined a plan to secure tires for the currently-owned John Deere scraper now in use, noting that differing tire brands may not be an issue as long as the same tires were matched on the same axle. With this understanding, he recommended ordering four Firestone tires to ultimately replace existing Michelin tires. After some discussion, by the motion of Director Rogers, second by Director Martin and unanimously carried by all board members present, the purchase of four Firestone tires to fit one of the District's scrapers was approved.

Lastly, Mr. Fox brought to the board several bids for a pickup truck to replace the existing Watermaster truck. He noted that the current truck, a 2010 model with 63,000 miles, will be moved for assignment to

the Engineering Technician, replacing a truck with 150,000 miles which will be used as a trade in. With a recommendation by the Equipment Committee, the Board approved the purchase of a 2015 Ford 150 XL Super Cab truck at a bid cost of \$27,213. The approval was made with a motion by Director Martin, second by Director Rogers and unanimously carried by all board members present.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of July 2015 for the Board's review and consideration. She began with pointing out some revenue line items, calling out the assessment collections thus far in 2015. She next addressed the expenses and noted that weed control costs are running high. Of the total staff labor costs, \$78,800 has been charged out to outside jobs for which reimbursement is being made. Overall, expenses have averaged 55% of the annual expense budget for the first seven months. Director Borges asked when the District might receive the state grant funds, to which Mr. Fukuda replied that this receipt date is not firmed up as yet. She then proceeded to review the statements of cash flows and net assets, citing cash on hand of \$12.1 million as of July 31st.

Ms. Artis then reported on the status of the District's investments, citing yield rates of 1.15% in the Tulare County pooled fund, 0.32% at the state LAIF and 0.35 at Citizen's Business Bank. She then referred the Board to the graphical depiction of investment return rates since 2008. Ms. Artis lastly made reference to the amortization schedule for the USBR contract loan with Banc of America and that another installment payment is forthcoming in September. Director Thomas inquired as to the source of the \$2,040 in fixed assets, to which Ms. Artis responded that the income derived mainly from the sale of two trucks.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Questions and details were brought forth on a small water purchase, an A/C wall unit for the shop office, the shared cost for a private plane trip to Sacramento, and invoices from Lawrence Tractor. By the motion of Director Borges, second by Director Rogers and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 46932 through 46472 totaling \$161,683.74 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Visalia Water Exchange - Mr. Fukuda provided an update on the planned water exchange with the City of Visalia. He made mention of the completed pipeline connection to the District's Evans Ditch, steady progress on the City's treatment plant upgrades, and the City's pursuit of a permit from the Regional Water Quality Control Board. Mr. Fukuda also briefed the Board on the installation of check structures in Packwood Creek upstream of the District, which are designed to provide additional recharge in the channel. He indicated that Friant payback water to the City will in part be directed into Packwood Creek.

Proposal by AGWT - Mr. Hendrix described the inquiry by the American Groundwater Trust to conduct a workshop in the Tulare area dealing with well-drilling and pump technology advancements. The Board was receptive to the idea to assist in the arrangements for such a

workshop.

KDWCD Board Workshop re SGMA Implementation - Mr. Hendrix briefed the Board on the discussions held by the KDWCD board in regards to groundwater sustainability agency formation for the Kaweah Sub-Basin at its August 4th board meeting. He indicated that that board may be moving towards consideration to form as a GSA at some point in the future.

Matters for Consideration of Board Action:

Establishment of Board of Equalization - Mr. Hendrix summarized the role of the Board of Equalization, its purposes related to District assessment levies, and its members consisting of the District's Board of Directors. By the motion of Director Martin and second by Director Borges, the Board was hereby established as a Board of Equalization, which board will sit for a ten-day period beginning September 8th to hear any objections made to the valuation, acreage, or any other matter pertaining to the levy of assessments.

Resolution No. 15-06 - Mr. Hendrix referred the Board to a draft resolution supporting the nomination of Kathleen Tiegs, board member of Cucamonga Valley WD and current Vice President of ACWA, to President of that state-wide organization. Director Bixler indicated that Ms. Tiegs has served well as ACWA's Vice President and would be well suited to serve as its President for the next two-year term. By the motion of Director Borges, second by Director Rogers and duly put and carried by all board members present, Resolution No. 15-06, expressing support for the nomination of Ms. Tiegs for President of ACWA, was adopted.

Execution of Joint Powers Agreement - Mr. Hendrix introduced the potential action item, and Mr. Richardson proceeded to recap and address the comments received at the public hearing held earlier this day. He indicated that a notice of formation needs to be sent to DWR upon execution of the agreement by all parties. Director Borges inquired about any residual boundary overlap issues along the District's westerly edge, and Mr. Mills added to the discussion. After some discussions as to the JPA and comments received thereon, it was motioned by Director Bixler, seconded by Director Thomas and unanimously carried by all board members present, to execute the joint powers agreement for the formation of a joint powers authority with the cities of Tulare and Visalia for the purpose of forming a groundwater sustainability agency.

Election of JPA Officers - Mr. Hendrix then noted that the District's appointment of governing board members to serve on the joint powers authority is now a necessary step to be taken. President Bixler then appointed the two members now serving on the District/City of Tulare Operations Committee, to wit himself and Mike Thomas, to serve on the newly-formed JPA. The appointment included, as alternates to the two seats, the other three members of the District Board.

Ratification of Friant WA Governance - Director Borges and Mr. Hendrix next reviewed the latest actions of the Friant WA board in regards to executive management and budget implications, as well as the previously-approved amendments to FWA's joint powers agreement to effectuate such changes. Upon Director Thomas' query about the activities of the Friant North group, Director Borges summarized the political strategies of all three Friant factions and efforts to coordinate among them. The Board was comfortable with the projected cost impacts to the District and, by the motion of Director Borges and second by Director Rogers, unanimously carried by all board members present, ratified its March 10th acceptance of the amendments to the Friant WA joint powers agreement.

Director Martin thereupon offered his views of the manner in which USBR has enforced the Exchange and Purchase Contracts in the utilization of San Joaquin River water during the last two years. He expressed frustration and puzzlement as to the seeming injustice of taking all water away from the Friant service area to provide ample supplies to a region suffering very little from the drought by comparison.

Closed Session:

The Board then adjourned to a closed session per Government Code §54956.9(a) and (b). Upon returning to open session, it was reported that, upon the motion of Director Borges and second by Director Thomas, unanimously carried by all board members present, the Board rejected the amended employment claim of P. Rodriguez, a former employee of the Friant WA.

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 first summarized the most recent Friant WA board meetings held on July 23rd and August 3rd. He indicated that Bill Luce has been named interim general manager for the organization, and that trial memberships have been offered to a select group of other Friant contractors.


Directors Martin and Borges next summarized the August 6th meetings of the K&SJRA and KBWQA. In regards to the water supply report, they highlighted that the Kaweah April-July runoff came in at 15% of average. An update was also given on SGMA compliance within the Kaweah Sub-Basin. As to the KBWQA meeting, it was noted that board elections are coming soon, a September workshop is being arranged, and liability insurance is being sought for board members.

Director Bixler then made note of the July 31st meeting of the ACWA board, highlighting its discussions on the tiered pricing issues, the Save Our Water campaign in conjunction with DWR and the need to replace Dave Orth on ACWA's Executive Committee.

Finally, Director Thomas talked about the topics of interest dealt with at the July 15th Wutchumna WC meeting. He mentioned the \$250 assessment and the pumping operations of Bee Sweet into Bravo Lake.

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


Secretary


President