MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TULARE IRRIGATION DISTRICT HELD VIA ZOOM TELECONFERENCE ON THE 13TH DAY OF April 2021 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 Tulare Irrigation District (TID) Board members and TID staff attended 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 Zoom teleconference.

Directors present at the meeting held at the date and time above designated were President David Bixler, Rick Borges, Dave Martin, Scott Rogers, and Mike Thomas. 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 Zoom teleconference were Scott Kuney, (Legal Counsel) Young Wooldridge, LLP; Don Wright, of Water Wrights; Matt Klinchuch, Provost & Pritchard Consulting Group; Doug Reynolds, Santa Fe Aggregates; Richael Young, Mammoth Trading Inc.; and Johnny Gailey, Delta View Water Association. 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 thereupon called to order by President Bixler.

Public Comments:

Mr. Thomas commented visiting Pyramid Lake for the first time and had observed that the lake was full. Mr. Thomas requested that Mr. Fukuda, sometime in the future, explain how the allocations work on the the State Water Project.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting of March 9, 2021 had been distributed and asked if there were any errors or omissions noted therein. By the motion of Director Borges and seconded by Director Martin, unanimously carried by all Directors present, the minutes of the March 9, 2021 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 for the day was 349 CFS, and the storage at Terminus Reservoir for the previous day was 37,416 AF. He then reported that the daily release from Terminus Reservoir was 46 CFS.

Thereupon Mr. Crenshaw mentioned that the Millerton Lake total inflow was 706 CFS and that the entire storage at Millerton Lake was 180,016 AF. He reported that the total daily release from Millerton was 506 CFS.

Mr. Crenshaw thereupon provided a 2001-2021 Kaweah River Snow Water Content Chart, which showed the watershed was currently at 28% of the April 12th Average. He then provided a 1991-2021 San Joaquin River Sensors Snow Water Content Chart, which showed the watershed was currently at 22% of the April 12th average.

Mr. Crenshaw stated that the water year was trending like 2014. Zero Class 1 in 2014 and 2015, and all of the District's water supplies were transferred to the San Joaquin River Exchange Contractors and LSID.

Mr. Crenshaw presented the Average SST Anomalies for March 14, 2021, through April 10, 2021. He also discussed the SST Anomalies charts for September 2020, October 2020, November 2020, December 2020, January 2021, and February 2021.

Mr. Crenshaw continued with his report by indicating that the District's current water supply stood at 14,126 AF. The projected January 2021 to April 2021 cumulative diversions to TID was estimated to be 3,765 AF. Mr. Crenshaw thereupon reported that the District diverted 2,815 AF in March with 49% recharged in District basins, 18% recharged in District canals, and 33% diverted to farm turnouts.

Water Management Activities and Issues - Mr. Fukuda reported the United States Bureau of Reclamation (USBR) is currently forecasting a dry water year. Friant Class 1 allocation is presently at 20%, and Class 2 will be 0%. Mr. Fukuda stated estimations by Friant Water Authority indicated that there would not be a call on Millerton to supply the San Joaquin River Exchange Contractors. Mr. Fukuda noted to the Board that based upon prior discussions with the board, the District's desire to keep all available water supplies here within the Kaweah Subbasin.

O&M Superintendent Report:

Routine Work, Construction Projects - No report provided.

1st Quarter 2021 Quarterly O&M Report - Mr. Fox thereupon presented the Board with the 2021 1st Quarter O&M Report and highlighted several activities performed by staff.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis presented the financial statements for March 2021 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for March 2021 was $180,031, which was approximately 2.15% of the revised budget. Ms. Artis next presented the expenses, highlighting several items and reporting expenses from March totaling $2,118,826, which was approximately 20.39% 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 $7,037,535. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at $13,114,332, and the Total Equity in the District stood at $34,943,206. She lastly cited investment return for the District's several holding accounts, those being 1.483% with the Tulare County Pooled Investment Fund, 0.407% with the State LAIF, and 0.350% with Citizen's Money Market Fund.

Next, Ms. Artist reported on the Citizens Business Bank loan providing an Amortization 10-year Scheduled Chart.

Approval of Bill Payments - Ms. Artis presented the list of bills submitted for ratification and approval by the Board. Ms. Artis highlighted payment to Friant Water Authority in the amount of $354,860.395 for the following: April 2021 San Luis Delta-Mendota Water Authority (SLDMWA), April/May 2021 FKC O&M Monthly; November 2020 JJP Self-funding Pump Rewind; and February 2021 Recapture Water. She also commented on payment to Sespe Consulting, Inc. in the amount of $63,087.50 for McKay Point Technical Service. After scrutiny of particular bills, the Board, by the motion of Director Martin, seconded by Director Borges and unanimously carried by all Directors present, accepted the financial statements and, by said motion, check nos. 52757 through 52846 totaling $614,140.55 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Long-Ranch Financial Plan – Update - Mr. Fukuda expressed the need to move the Long-Ranch Financial Plan topic to May's TID Regular Board Meeting to be presented with Fieldman Rolapp First Draft Model of TID's finances.

Engineering Report:

Update on Engineering Activities - Mr. Barroll provided an update on engineering activities within the District. Mr. Barroll first reported on miscellaneous crossings and parcel reviews mentioning: South Prosperity/West Laspina Developer common use agreements for the Kaweah Pipeline utility crossings have all been signed and recorded; North Bardsley/West Developer comments have been submitted with parameters for junction boxes/gates, outlet to existing ditch; CalTrans Paige and 99 noting Caltrans would like to culvert entire length under freeway/ramps; and mentioning construction plans for four (4) round-abouts on Paige Avenue and Blackstone.

Next, Mr. Barroll reported on TTEM, Towed Time-Domain Electromagnetic System, has been assembled. But, the utility terrain vehicle (UTV) and storage trailer have yet to be purchased.

Water Marketing Strategy Update - Mr. Barroll briefed the Board on the Kaweah Subbasin Water Marketing Strategy Committee meeting, reporting Five (5) Water marketing consultant proposals have been received and are now in the review and scoring process.

Lastly, Mr. Barroll reported being notified by the United States Bureau of Reclamation (USBR) that TID was awarded the Area 18 Modernization Grant in the amount of $1.2 million in federal funding.

Closed Session:

Mr. Fukuda introduced Legal Counsel, Scott Kuney, to the Board. Thereupon President Bixler moved the meeting to 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, Mr. Bixler reported no action was taken.

Return to Management Staff Reports:

Management Staff Reports:

COV1D-19 District Plan - Update - Mr. Fukuda presented for discussion the Tulare County COVID Case Statistics Dash Board reporting that the number of COVID cases was declining and moving positive direction. Mr. Fukuda reported that the District coordinated voluntary vaccinations with a local clinic, 15 employees received their second round COVID-19 vaccinations and should have maximum protection by mid-April. Mr. Fukuda informed the board that he is planning to return to the in-person Board meeting with Board members only. The public will be allowed to participate by Zoom virtual meeting.

SGMA Matters - Kaweah Subbasin Update - Mr. Fukuda presented for discussion an update on the Kaweah Subbasin. Mr. Fukuda first reported that the Kaweah Subbain 2020 Annual Report had been submitted to the California Department of Water Resources and that the total Change in Groundwater Storage was calculated to be 418,000 acre-feet. He next noted that with another dry year in 2021, the anticipated Change In Groundwater Storage was estimated to be another 500,000 acre-feet and that discussions were taking place to accelerate the allocation of groundwater and restrictions on pumping. Mr. Fukuda lastly noted that before any allocations or restrictions were to occur, a concerted messaging effort should occur.

Lastly, Mr. Fukuda presented for Board discussion two MKGSA Surface Elevation charts. The first chart provided 1995-2025 data on a TID well site. The second chart showed a City of Visalia well site for the same period. Mr. Fukuda explained groundwater storage continues to drop, and much needs to be done to meet TID's measurable objectives and to avoid

hitting the Minimum Thresholds.

SGMA Matters - Mid-Kaweah GSA - Mr. Fukuda reported on updates at the MKGSA. Mr. Fukuda began by reporting on MKGSA 2021 Priorities highlighting work on the monitoring network.

Lastly, Mr. Fukuda addressed Water Policy Discussions reporting on the Water Rights Workshop held March 25, 2021. Mr. Fukuda stated that the District's water is clearly classified as imported, salvaged, native and in-leiu water. Mr. Fukuda encouraged everyone to watch the (2 Hours) MKGSA recorded Water Rights Workshop video posted on the MKGSA website.

Friant Matters - Mr. Fukuda presented an update on the Friant-Kern Canal Middle Reach Capacity Correction Project (Project) reporting on the following: Project design/permitting is still on schedule; Stantec has revised the Phase 1 Plans and Specs to accommodate the new pump station work; All land parcels appraisals are complete; Going to be working with the Bureau to secure property; Need to use Federal land acquisition process; Bureau is going to cost-share approximately 50% of the $15-16 million land acquisition costs; Federal land requires environmental work; and the Project cannot move to bid solicitations or property acquisition until the Cost Share Agreement with the Bureau is approve.

Next, Mr. Fukuda informed the Board that at the FWA Board of Directors meeting held March 25, 2021, the FWA Board took action on the following four (4) Resolutions:

Resolution 1: Authorizing the execution of the proposed Cost Share and Contributed Funds Agreement with Bureau. Mr. Fukuda highlighted: Resolution 1 was pulled from consideration due to Friant Contractors concerns regarding an individual agreement with FWA and Zone 3;

Resolution 2: Establishing the updated OM&R Budget for Phase 1 of the Project in the total amount of $50 million; Resolution 3: Authorizing the use of the OM&R Emergency Reserve Funds for the Phase 1 Project subject to the approval by Reclamation's Contracting Officer; Resolution 4: Directing staff to proceed with finalizing the acquisition of Right of Way necessary for the construction of Phase 1; Mr. Fukuda highlighted: Resolution 2,3, and 4, were motioned for consideration and passed with no votes from the City of Fresno and Fresno Irrigation District.

Then, Mr. Fukuda presented for discussion an Invoice Table (August 2021 - November 2022) totaling $3.1 million in invoices. Mr. Fukuda also presented a 2021- 2023 Financial Analysis of Expenditures Chart which provided a downward trend in cash reserves. Subject Matter included: 1. SLDMWA Motor Rewind $363,000; FKC Middle Reach Fix $3,100,000; and Budget Shortfall $6,500,000. .

Next, Mr. Fukuda explained that if the concept of Zone 3 is mentioned, before it can be discussed, it has to come back before the Friant Board for approval to begin negotiations or discussion on Zone 3.

Mr. Fukuda thereupon presented for discussion the Memorandum of Understanding regarding the Project OM&R Budget and the Cost Share and Contribution Funds Agreement with the Bureau of Reclamation for the Project. Mr. Fukuda presented the background and recommendations. A lengthy discussion took place regarding TID Agenda Item No. 7C: Friant Water Resolution No. 2021-04.

McKay Point Reservoir Project (MPRP) - Mr. Fukuda reported on the MPRP Draft Environmental Impact Report: 8 sections have been completed for staff review, and District staff was working on a refined Kaweah River/CVP water supply model. Mr. Fukuda noted the model is approximately 50% complete.

Engineering and Consulting Services for McKay Point Slurry Wall - Mr. Fukuda presented a proposal from Provost & Pritchard to provide engineering and consulting services to finalze the design of the McKay

Point Reservoir Project. By motion of Director Martin, seconded by Director Borges, and unanimously approved by all Board members present, Mr. Fukuda was authorized to sign Provost & Pritchard Engineering and Consulting Services for the McKay's Point Project and authorize the execution of the amendment, only approving moving forward with Phase 1 of the project.

Seaborn Reservoir Project (SRP) - Update - Mr. Fukuda next updated the Board on the progress of the Seaborn Reservoir Project reporting. Mr. Fukuda noted that Santa Fe Aggregates will be making a royalty payment at the end of April 2021 and that the current lease would end in April 2022. Nest Mr. Fukuda reported that Santa Fe Aggregates was in the process of preparing the site to be left in compliance with the Reclamation Plan per the lease requirements. Lastly, Mr. Fukuda updated the Board on a request by Santa Fe Aggregates to leave a stockpile of aggregate-base on the property until it could be sold, and the Board advised Mr. Fukuda to work with Santa Fe Aggregates and allow them to use the property as long as it did not interfere with our operations.

Legislation - Mr. Fukuda provided a legislation report on the Infrastructure Bill moving forward.

General Manager Report:

Mr. Fukuda began his report with an update on the State Water Resource Control Board (SWRCB) Comment Letter on Effective Water Rights Response to Climate Change Report, which had been submitted. Then, he provided for Board discussion a draft Spring Groundwater Notice addressing the ongoing dry conditions and declining groundwater. The Board thereupon instructed Mr. Fukuda to send the Spring Groundwater Notice out. Lastly, Mr. Fukuda reported on the new TID Water Resources Engineering position reporting 20 applicants had applied, and the committee assigned to select the person has reach a decision.

Matters for Consideration of Board Action:

Approval of Reserve Fund Transfers. Ms. Artis provided a presentation on the Reserve Fund Transfers. Ms. Artis reported the Water Sale Rate Stabilization fund stood at a -$704,872.81. She stated the need to transfer Debt Service funds to the Water Sale Rate Stabilization. By the motion of Director Borges, seconded by Director Rogers and unanimously approved by all Board members present, Ms. Artis was authorized to transfer Debt Service to Water Sale Rate Stabilization.

Cultivate California - Contribution - Mr. Fukuda presented for discussion the Cultivate California annual invoice. By the motion of Director Thomas, seconded by Director Martin and unanimously approved by all Board members present, the General Manager was authorized to contribute $5,000 to Cultivate California Contribution.

Greater Kaweah Groundwater Sustainability Agency (GKGSA) Prop 2018 Ballot - Mr. Fukuda provided the Board with an outline of the GKGSA Prop 218 Ballot. Mr. Fukuda stated GKGSA is establishing a Groundwater Sustainability Plan (GSP) Implementation Administrative Assessment. Mr. Fukuda reported TID has 596.13 acres of ground in the GKGSA, which would have an annual fee of $5,964.70. By the motion of Director Martin, seconded by Director Borges and unanimously approved by all Board members present, the General Manager was authorized to sign and execute the GKGSA Prop 218 Ballot.

Resolution No. 21-04 - Resolution Approving Friant Water Authority Memorandum of Understanding (MOU) Regarding FKC Middle Reach Capacity Correction Project District Contributions - Mr. Fukuda presented the subject resolution and described the details of the resolution. By the motion of Director Borges, seconded by Director Martin, and unanimously approved by all Board members present, Resolution No. 21-04 was approved and adopted.

Public Hearings:

Consider Adoption of Tulare Irrigation District 2020 Agricultural Water Management Plan (AWMP) Conduct hearing and consider adoption of the District's revised AWMP along with the proposed figures and test changes, to amend and supersede the existing AWMP, and authorizing staff to: Make the AWMP available to the public via the TID website; submit the AWMP to the Department of Water Resources and the Bureau of Reclamation; and provide a copy or make available to other local public agencies as required by the Water Code.

President Bixler opened the Public Hearing and asked the public if there were any comments or concerns with the Tulare Irrigation District 2020 Agricultural Water Management Plan. Noting no comments by Board members of the public, President Bixler closed the Pubic Hearing.

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 attending the Kaweah Water Foundation (KWF) Board of Directors meeting held March 30, 2021. Commenting on the following: Business Banking Account; Liability Insurance Bids; Move place of business to a US Post Office Box; Discharger/Processors/City Inquires; Safe Drinking Water Workshop; Food Grower Laboratories; Culligan Water; Early Action Plan - submitted March 8, 2021; Preliminary Management Zone Proposal - submitted March, 2021; Well Testing; Nitrates; Safe Drinking Water Fill Stations.

Director Borges reported on the Kaweah and St. Johns River Association (KSJRA) Board of Directors meeting held April 4, 2021, mentioning the following: Groundwater Report; Financials; Liability Insurance; Riparian Project; and Correct Riparian legal description.

Director Borges also reported attending the Kaweah Basin Water Quality Association (KBWQA) Board of Directors meeting held on April 8, 2021. Commenting on the following: Financial; Reinstated 34 members; Self Certification Workshops; Farmerville Water Fill Station; Okieville Water Fill Station; and Safe drinking water deliveries.

Director Borges commented that FWA Special meeting is scheduled for Thursday, April 29, 2021 to discuss the USBR Agreement.

Director Thomas mentioned attending the Wutchumna Water Company (WWC) Board meeting on March 10, 2021, reporting the recent assessment was set at $400 per share.

There being no other items to come before the Board of Directors, the meeting was then adjourned to the Special TID Board Meeting scheduled for April 22, 2021.

Secretary

President