MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TULARE IRRIGATION DISTRICT HELD VIA ZOOM TELECONFERENCE ON THE 12th DAY OF JULY, 2022 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 met at the District Office (6826 Avenue 240, Tulare, CA 93274) under social distancing guidelines. There was no physical location for this meeting for the public. 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, Scott Rogers, Dave Martin, 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; James Fisher, Water Resources Engineer; Wayne Fox, Superintendent, Marco Crenshaw, Watermaster; Wayne Fox, Superintendent; Jeremy Barroll, Assistant Engineer; Trevor Amarante, Intern, and Alex Peltzer, District Counsel. Also present or via Zoom teleconference roll call were Maryse Suppiger, Manulife Investment Management, Timberland and Agriculture; Don Wright, Water Wrights; Matt Klinchuch, Provost & Pritchard Consulting; Lora Carpenter and Robert Porr, Fieldman, Rolapp & Associates; Paul Grensman; Nancy Jacobus; Larry Dutto; Doug Reynolds; Earl Avila, Talik Hanzadeh; Janet (Last Name Unknown); and Scott Kuney, Young Wooldridge. 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 was none. The meeting was thereupon called to order by President Bixler.

Public Comments:

There were no public comments to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of the Regular Meeting of June 14, 2022 were distributed and asked if any errors or omissions were noted therein. By the motion of Director Martin and seconded by Director Borges, unanimously carried by all Directors present, the minutes of the Regular Meeting of June 14, 2022 were thereupon approved with the correction of the spelling of Matt Klinchuch last name.

Watermaster Report:

Lake Kaweah Storage and Operations: Mr. Crenshaw reported on Lake Kaweah Storage and Operations/Water Supply Outlook - Mr. Crenshaw began his report by noting the total inflow to Terminus Reservoir for the day was 51 CFS, and the storage at Terminus Reservoir for the previous day was 66,318 AF. He then reported that the daily release from Terminus Reservoir was 1,094 CFS.

Thereupon, Mr. Crenshaw mentioned that the Millerton Lake total inflow was 512 CFS and the entire storage at Millerton Lake was 328,476 AF. He reported that the total daily release from Millerton was 1,400 CFS.

Water Supply Outlook - Mr. Crenshaw continued with his report by indicating that the district's current water supply stood at 5,177 AF. January 2022 to June 2022 cumulated diversions to TID were 24,940 AF. The 2022 CVP Supply totaled: 5,000 AF.

Mr. Crenshaw thereupon reported that the district diverted 2,814 AF in June. He indicated that 23% of the diversions were delivered to farm turnouts; 39% were recharged in District basins; and 38% were recharged in District canals.

Summer Irrigation Rate:

Mr. Fukuda opened the discussion of setting the Summer Irrigation sale rate. After a lengthy conversation concerning TID's budget, price of water, demand, ability, and water supply the Board provided direction to not alter the current water rate of $52.00 per AF.

Water Management Activities and Issues - Mr. Fukuda first updated the Board on California Reservoir Operations reporting Friant Allocations: 20% Class 1 and 0% Class 2. Mr. Fukuda reporting: Bureau has reduced releases from Millerton down the San Joaquin River; Bureau will reevaluate the conditions in a week or two (7/21) and potentially have another 5-10%; Restoration Program has decided to no increase releases and URF Block likely in the coming weeks.

O&M Superintendent Report:

Routine Work - No report provided.

Quarter 2 O&M Report - Mr. Fox provided a written report to the Board of Directors on the activities that took place during the second quarter of 2022. Mr. Fox highlighted ongoing O&M work, construction activities, vehicle maintenance, and herbicide applications.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis presented the financial statements for June 2022 for the Board's review and consideration. She addressed first the revenue and expense statement, indicating that the total revenue for June 2022 was $1,965,157, which was approximately 22.64% of the revised budget. She next presented the expenses, highlighting several items and reporting expenses from April totaling $4,378,029 which was approximately 40.26% 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 $7,406,123. Based on the Statement of Net Assets, Ms. Artis reported that Total Liabilities were at $13,175,237, and the Total Equity in the District stood at 31,085,642. She lastly cited investment return for the district's several holding accounts, those being 1.03% with the Tulare County Pooled Investment Fund, 0.861% with the State LAIF, and 0.100% with Citizen's Money Market Fund.

Then, Ms. Artis reported on the following Designated Funds: Water Sale Rate Stabilization, Groundwater Replenishment, and CVP Environmental Charges.

Approval of Bill Payments - Ms. Artis presented the list of bills submitted for ratification and approval by the Board. After scrutiny of particular bills, the Board, by the motion of Director Borges, seconded by Director Thomas and unanimously carried by all Directors present, accepted the financial statements and, by said motion, check nos. 54004 through 54058 totaling $776,956.42 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Prop 218 - Update: Mr. Fukuda provided the Board with data on the attendance of the 5 Division Prop. 218 Workshops held during the month of July: Division 1, 12 Growers, Acres Represented 3,355; Division 2, 10 Growers, Acres Represented 7,585; Division 3, 11 Growers, Acres Represented 5,554; Division 4, 8 Growers, Acres Represented 3,022; and Division 5, 7 Growers, Acres Represented 2,941 Acres.

Next, Mr. Fukuda reported on the TID Grower's Feedback. Reporting the following concerns of the growers: 1) Largely concerned with SGMA and

impacts to growers in Tulare ID and when are District growers going to see parity with growers that only use groundwater; 2) Growers want an aggressive push toward purchasing more water with a purchase program for District use (fold water into water run), Purchase program at higher dollars for those that are willing to pay the added costs, and start purchasing water as soon as possible as the market will get saturated; 3) Agreements to send excess water outside of TID should come after growers' needs are met and that of the existing partners, and must ensure that there is a benefit to in-District growers.

Mr. Fukuda informed the Board that there are varying degrees of TID grower understanding in regards to water. Mr. Fukuda highlighted that the District needs to do better at educating growers. Mr. Fukuda mentioned to the board that he would like to see monthly or weekly grower updates/stories; with a 2022 Fall Grower Tour being discussed.

Mr. Fukuda provided a Tulare Irrigation District Prop 218 Schedule: Mid-July: Ballots mailed to landowners; July-August: TID Staff available for grower/landowner meetings and workshops; August 31, Board Meeting and Ballot Count.

Assessor-Collector Report:

Ms. Holmes provided an update on the collection of assessments. For the current year 2022, the balance owing is $24,579.22, which is 99% paid. She stated proceedings for the collection of delinquent assessments are in process and letters were mailed on July 1, 2022 and payments must be received by July 26, 2022, in order not to be published in the local paper. Delinquent Assessment Publication dates are August 1, August 8, and August 15, 2022. Current 2022 tax sale liens will record on August 25, 2022. Lastly, Ms. Holmes reported Prior 2008-2021 delinquent Tax Sales totaled $24,564.81.

Engineer Report:

Update on Engineering Activities: Mr. Barroll provided an update on engineering highlighting several ongoing projects in the district that impacted District facilities. Mr. Barroll reported on the following two projects: 1) Self-Help Enterprises multi-family residential development, West Street and Olema Avenue; and 2) Liberty Hill Residential Development project, West Street and Bardsley Avenue.

Management Staff Report:

Sustainable Groundwater Management ACT (SGMA) Matters - Mr. Fukuda summarized recent activities concerning the Kaweah Subbasin. Reporting on the following: Kaweah Subbasin Management Committee Meeting discussing the GSP Revisions; Kaweah Subbasin GSAs continue to meet weekly to complete GSP and Coordination Agreement revisions.

Mid-Kaweah Groundwater Sustainability Agency (MKGSA): Mr. Fukuda presented an update on the MKGSA. Mr. Fukuda provided for Board discussion a Water Dashboard Notice.

Then, Mr. Fukuda reported on the Kaweah Subbasin 180-day process highlighting 120 days of technical work was required prior to the documents being uploaded to DWR. Next, Mr. Fukuda reported on MKGSA GSP Modifications reporting the following: MKGSA Redlines have been uploaded to the website: www.midkaweah.org; Approach to issues: Declining Groundwater Levels - we are going to protect 90% of wells or better drilled from 2002 to present; Subsidence - in observing local infrastructure wells and canals could be impacted; Interconnected Surface Water - developed a workplan to fill data gaps and true up SMCs.

Lastly, Mr. Fukuda reported on MKGSA GSP Revision Schedule, highlighting the following: the Revisions comments/edits are due by July 12, 2022 at 5:00 PM to MKGSA; July 20th Special MKGSA Board Meeting to consider approving GSP and Coordination Agreement; and July

27th deadline for submission of GSP.

Friant Matters: Mr. Fukuda provided the Board with an update on Friant Matters. Mr. Fukuda reported that the Friant FY 2023 Budget had been approved for the Public Review Process. Mr. Fukuda highlighted the following critical components: 10.2% COLA on wages; 10% Inflation (CPI) on materials; Weed Control; Fuel; Motor Grader; Loader; Boom Truck; Misc. Vehicles; Roadway Chip seal; Gate actuators; Pump Back Project; Friant Kern Canal Systemwide Capacity Study; GSA Engagement; and Water Quality.

Mr. Fukuda provided for discussion a 25-Year Average Cost Allocation. Mr. Fukuda informed the Board that it was discovered that the FWA Staff was using averages of percentages. However, the 2019 Cost Allocations methodology required an accumulation of usage of the canal over a 25-year rolling average. Districts that are owed asked for immediate payback, however an agreement was made amongst districts which would allow for: Interest-Free to 12/31/2022, Treasury Rate from 1/1/2023 to 9/30/2023, and Treasury plus 2% beyond 9/30/2022. Mr. Fukuda highlighted that TID owed $758,000.

McKay Point Reservoir/Seaborn Reservoir - Mr. Fukuda provided the Board with an update on the McKay Point Reservoir/Seaborn Reservoir Project. Mr. Fukuda reported the following: Awaiting FEMA Determination on BRIC Grant; May need to begin solicitation of engineering services in early Fall 2022; and ACWA provided a nice article on the project in their monthly newsletter.

Then, Mr. Fukuda reported on McKay Point Reservoir. Mr. Fukuda reported the following: Met with Tulare County, targeting final review and public noticing of EIR in October 2022. Beginning to get more reviewed documents back from County.

Legislation - Mr. Fukuda provide a legislation update on Assembly Bill 2201 (Bennett) pertaining to new requirements to provide analysis of new groundwater wells. The Board discussed the bill and it moved by Director Martin, seconded by Director Borges and unanimously approved by all board members present to take a position of Opposed Unless Amended on AB 2201.

General Manager Report:

General Manager Fukuda reported the focus has been on: Prop 218 Workshops; GSP Revisions, and recommends beginning to plan for a Fall TID Growers Tour.

Matters for Consideration of Board Action:

Revised 2022 Budget: Mr. Fukuda proceeded to provide a discussion of the Revised 2021 Budget noting several critical components of the report. Mr. Fukuda reported revised revenue of approximately $7.91 million, of which, with the current dry water year, the district expected revenue from water operations to be roughly $568,000. Next, Mr. Fukuda noted that expenses were anticipated to be approximately $12.44 million, with operations and administration being $10.67 million and capital outlay being $1.77 million. Mr. Fukuda noted that cash reserves at the end of the year would stand at approximately -$2.95 million. After the report, it was moved by Director Rogers, seconded by Director Borges and unanimously approved by the Board members present, that the Revised 2022 Budget be approved as presented.

Resolution No. 22-09 - Virtual Meeting Resolution. A Resolution of the Board of Directors to the Tulare Irrigation District proclaiming a local emergency, ratifying the proclamation of a State of Emergency by the California Governor's Executive Order N-15-21 and authorizing remote teleconference meetings of Tulare Irrigation District Board of Directors for the period July 14, 2022 to August 14, 2022 pursuant to Brown Act provisions. By the motion of Director Borges and seconded

by Director Thomas, unanimously carried by all Directors present, Resolution No. 22-09 was thereupon approved as presented.

Resolution No. 22-10 - Placing Delinquent Assessment on County Tax Roll. Ms. Holmes presented the Resolution needed to place direct charges (Special Assessments - Liens 2016) on the secured tax roll. By motion of Director Martin, Seconded by Director Rogers and unanimously approved by all Directors present, Resolution No. 22-10 as presented.

Resolution No. 22-11 - Resolution No. 22-11 - Resolution Adopting Proposition 218 Assessment Ballot Procedures and Call for an Assessment Ballot Proceeding on Proposed Assessment. Mr. Fukuda, addressed the Board and explained in detail the Proposition 218 Assessment Ballot Procedures and Call for Ballot Proceedings on Proposed Assessment. After consideration, and by a motion of Director Borges, and seconded by Director Thomas, Resolution No. 22-11 was approved by the following vote:

Approve:

- Director Bixler
- Director Borges
- Director Martin
- Director Rogers
- Director Thomas

Not Approve:

- None

Abstain:

- None

Thereupon, Mr. Fukuda moved the meeting to Closed Session.

Closed Session:

The Board thereupon adjourned 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, upon the motion of Director Rogers and seconded by Director Martin, unanimously carried all board members present, the following merit raises were approved:

David Ford - Light Equipment Operator - Step 3
Marcy Flores - Ditch Maintenance Worker - Step 2
Juan Felix - Heavy Equipment Operator - Step 5
Debbie Burgos - Accounting Clerk - Step 2
Beth Holmens - Senior Administrator - Step 5
James Fisher - Water Resources Engineer - 5% Increase

Consideration of CPI Adjustment - Mr. Fukuda presented tabular information regarding the Consumer Price Index changes over time and corresponding board-approved cost-of-living adjustments. Mr. Fukuda reported food and energy advanced, largely the result of an increase in the price of gasoline. Over-the-year percent changes in CPI: Southern California and US Cities CPI increased: 8.3%; and Western CPI increased: 8.35%.

Mr. Fukuda provided options for board consideration: Moving CPI to a Two-Step COLA; Personal Time Off; Invest to accommodate increase; or One-Time Bonus. Mr. Fukuda After some deliberation and discussion concerning that data by the board.

By a motion of Director Martin, seconded by Director Rogers and unanimously approved by board members present, upon the request of Mr. Fukuda his 5% increase shall be withheld and that a 5% increase shall

be applied to all other wage and salary rates at the district to be made effective on the next pay period.

Board Member Reports 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 Division 4 Workshop on June 22nd. He also attended the Kaweah & St. Johns River Association (KSJRA) Board meeting and the Kaweah Basin Water Quality Association (KBWQA) Board meeting on July 7th.

Director Martin reported attending the Division 2 Workshop on June 29th. He also attended the Kaweah & St. Johns River Association (KSJRA) Board meeting and the Kaweah Basin Water Quality Association (KBWQA) Board meeting on July 7th.

Director Thomas reported attending the Division 1 Workshop on July 30th.

Director Rogers reported attending the Division 3 Workshop on June 22nd.

Director Bixler reported attending the Division 5 Workshop on June 24th.

There being no other items to come before the Board of Directors, the meeting was then adjourned to August 9, 2022.

Secretary

President