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Board of Directors

Ben Serafin

President

Division 2

Don MacMillan

Vice President

Division 3

Tony Simonich

Division 1

Gary Fernandes

Division 4

Diane Bowman-Friend

Division 5

The Board of Directors meets on the second Tuesday of every month at 9:00 a.m. at the District office in Tipton. The public is invited to attend.

DISTRICTS MEMORIALIZE JOINT OPERATIONS

LOWER TULE AND PIXLEY EXECUTE COOPERATIVE AGREEMENT

The Boards of Directors of the Lower Tule River and Pixley Irrigation Districts met in a ceremonial meeting to execute the agreement that memorializes the long term relationship between the two neighbor Districts. After gathering for lunch, exchanging stories and memories, Lower Tule President Ben Serafin and Pixley President Thewis Atsma shook hands and signed their names to the document. While the agreement does not change the practical relationship between the two Districts it does formalize their understandings and provides for more cooperative opportunities in the future. Highlights of the agreement include:



Members of the Lower Tule and Pixley Boards Shake Hands after Executing MOU
 From Left to Right
 Standing: Tony Simonich-LT, Doris Williams-PX, Dana Westbrook-PX, Raymond Westbrook, PX
 Seated: Don MacMillan-LT, Ben Serafin-LT, Thewis Atsma-PX, Joe Gastaldi-PX
 Not Pictured: Gary Fernandes-LT, Diane Bowman-Friend-LT

Cost sharing of Management Services

Since the Pixley Irrigation District was formed in 1956 both Districts have had a common General Manager. While both Districts are large enough to justify having their own General Manager, the Boards decided that it was more cost effective to share the management services and by doing so were able to attract more qualified candidates. To this day the Districts share in the salary and benefits of the General Manager. That arrangement is now part of the agreement that was executed. The construction of the joint office building also allows the Districts to share the cost of secretarial, account-

ing and operations staff.

Construction of Office Building

The construction of the new office building has been well documented in previous editions of the *Legend*. The office is completed and both Districts have fully functional services from the Tipton location. Most of the projects between the Districts are done on a cost sharing basis that reflects the size of the Districts (typically 2/3rds for Lower Tule and 1/3rd for Pixley). However the construction of the office building was done on an equal percentage basis. With both Districts sharing equally in the construction costs and thus owning 50% of the asset.

Equipment Services.

The Boards have agreed that they will share equipment and personnel services at rates that are equal to what they charge themselves and their landowners. Given the commonality of the landowners and the ever increasing sharing of men and equipment, the Boards thought it best to not charge each other more than necessary to cover costs.

The Boards hope this agreement can serve as a model for future projects within the Districts as well as provide an example for efficiency and cost effectiveness in other areas.

WATER SUPPLY REPORT

BOARD DEBATES WATER RATE AND SUMMER RUN

2003 might be called the wet year that never happened. Early season rains and forecast of an El Nino winter fizzled as rapidly as the hopes of District officials who had been looking for a wet year to help replenish District aquifers and bank accounts.

At present the 2003 water year is looking better than 2002, but still about 25% below average. Late season rains and reservoir conditions at Millerton Lake have forced a release of Friant water. In fact by the time the *Legend* goes to print there will already be water in the canals. The early run may be short in duration, done only to avoid spilling water down the San Joaquin River. The summer irrigation run will likely follow the same pattern as last summer which means a late May start followed by one or more interruptions during the summer months in an effort to extend the available surface supply into late July or early August. The final decision on water run and rate will be at the District Board meeting in early May.

One of the big issues facing the District is the 2003 water rate charged to users. It has been four years

since the summer water rate has changed having been set at \$35 per acre-foot since 1999. Over the same period the District has seen a significant increase in the cost it must pay for water, some of those costs being fixed costs regardless of the year type. The ever present goal of the Board is to keep the water rate stable and affordable. Accordingly the District has moved money out of reserves to cover the net loss over the past three years. The chart below gives a graphic description of those numbers.

Year	Revenue from Sales	Expenses for Purchase	Net Borrowed from Reserve
2000	\$5,482,000	(\$6,728,657)	(\$1,246,657)
2001	\$2,650,000	(\$4,209,012)	(\$1,559,012)
2002	\$2,665,000	(\$4,000,482)	(\$1,335,482)
Totals:	\$10,797,000	(\$14,938,151)	(\$4,141,151)

Given the current dry year conditions, the Board will consider whether the District should again borrow from reserves (est. at \$1,200,000 for 2003) or
(Continued on page 4)

Did you know?

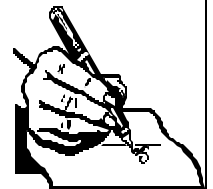
An acre of corn contributes more to humidity than a lake of the same size.



Bottled water may cost up to 1,000 times more than municipal water and may not be as safe.

Source: *Water Facts of Life*

DISTRICT EXECUTES HISTORIC WATER SUPPLY AGREEMENT



The Lower Tule River Irrigation District has executed an historic agreement with the Porterville Irrigation District that will ensure that both Districts Tule River water will remain a vital part of farm irrigation for at least the next ten years.

For many years surplus Tule River water was transferred from Porterville ID to Lower Tule for use during the summer irrigation run. The transfers were always done a year at a time and without any formal arrangement between the two long time neighbors. In the spring of 2002 both Boards recognized the need to formalize the relationship and a drafting committee was formed. The transfer of Tule River water from Porterville to Lower Tule has long benefited both Districts and it was the desire of the respective Boards to ensure that that relationship continued. The growth of the City of Porterville has led to a continuing decline of farmable acreage within Porterville ID and as such Tule River water has been made available to Lower Tule River. The agreement commits Por-

“Protecting our area’s ground-water resources by cooperatively managing the surface water supplies available to the districts has been a cornerstone of our operations. I hope to see the districts working ever more closely with one another in an effort to provide efficient and affordable service to agriculture in our county.”

Dave Hoffman—Manager
Porterville I.D.

terville to sell any Tule River water that is surplus to its needs to the Lower Tule River Irrigation District. Under the agreement Lower Tule will take all the water Porterville can make available re-

gardless of the year type. Payment provisions were specified within the agreement in order to provide both Districts with a level of certainty relative to cost and revenue. Over the course of the past three (moderately dry) years, Lower Tule has received more than 20,000 acre-feet of water from Porterville which represents 5% of the total supply brought into the District over that same period.

Pixley Executes Similar Agreement

The Pixley Irrigation District has also executed an agreement with the Porterville Irrigation District that will allow for the continued delivery of Porterville’s surplus Friant water to Pixley. The term of the agreement is shorter than the Lower Tule deal and the payment provisions somewhat different, but the cooperative purpose of the agreement is the same.

DISTRICT RENTAL RATES ESTABLISHED

At a series of Board meetings in early 2003 the Board reviewed the Districts equipment rental rates and policies. Extensive discussion was focused around the District, providing a cost effective service to its landowners while at the same time insuring that appropriate costs are recovered and the District does not unfairly compete with others in this area who provide similar services.

It had been more than 10 years since the equipment rates were reviewed. To make for a smoother process in the future the Board also established a methodology for adjusting the rates on a yearly basis if necessary. The revised rates reflect two components: The Equipment Rate which represents the cost of the actual piece of equipment and is comparable to the cost to rent similar equipment from local suppliers. The second component is the overhead charge which consists of the District's costs to operate the equipment and includes items such as labor, fuel, etc. The overhead rate for 2003 is ap-

proximately \$23 per hour. The District does not rent out equipment without an operator so the published rate includes the cost of an operator.

In addition the Board established a separate rate for landowners within the District. The District has a fairly large fleet of equipment and as a result is often contracted to do work for other water agencies. The Board felt strongly that the landowners in the District should be charged less than those who have no vested interest in the District. Accordingly the Equipment Rate for District landowners was set at 20% below the rate charged for custom work.

Lower Tule and Pixley have a wide variety of equipment including three different types of backhoes, two water trucks, several kinds of truck and trailer combinations and two excavators, one with a 60 foot long reach arm. A list of the District's equipment and corresponding rental rates, on a per hour basis, along with a few pictures, are shown below.



<u>Equipment</u>	<u>Custom Rate</u>	<u>Landowner Rate</u>
Cruise Crane - 30 ton	\$112.40	\$94.40
892 John Deere Excavator	\$102.40	\$86.40
892 John Deere Excavator with 60' Long Stick	\$112.40	\$94.40
Dozer - D7 Caterpillar (2 in the fleet)	\$112.40	\$94.40
Grader - 14G Cat with sloping blade (3 in the fleet)	\$107.40	\$90.40
644 John Deere Loader (4 yard)	\$82.40	\$70.40
930 Caterpillar Loader (2 yard)	\$62.40	\$54.40
Backhoe (3 in the fleet)	\$62.40	\$54.40
Tractor & Implement (5 different models)	\$57.40	\$50.40
Low-bed Truck & Trailer (50 ton)	\$72.40	\$62.40
Low-bed Truck & Trailer (30 ton)	\$62.40	\$54.40
Dump Truck (10 yard - 4 in the fleet)	\$57.40	\$50.40
Bottom Dump (3 sets)	\$67.40	\$58.40
Water Truck (4000 gallons - 2 in the fleet)	\$57.40	\$50.40
Spray Truck (2 in the fleet)	\$72.40	\$62.40



Update!

The Natural Resources Defense Council has announced that they intend to terminate the settlement discussions between the Friant water users and NRDC that have been ongoing for the past 3 years. Instead of positive relations, NRDC has decided to again attack the Friant water supply by standing in front of a judge and demanding that water be taken away from Friant farmers.

The date for termination of the discussions?

April 22nd

April 22nd is also International Earth Day. Just a strange coincidence.....or not, you be the judge.

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needs now and into
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DISTRICT NEWS & NOTES



DISTRICT OFFICIALS MEET WITH ASSEMBLY-MEMBER

District officials met with Assemblywomen Nicole Parra on Friday April 18th. The District hosted a meeting at the office in Tipton where invited water officials were



Lower Tule Vice-President Don MacMillan and Tulare County Farm Bureau Members Nancy Pitigliano and David Cardoza met to discuss Ag related issues with Nicole Parra (second from left).

given an opportunity to meet Parra and discuss water and agricultural related issues. Parra represents the 30th Assembly District. The meeting was held in conjunction with the Tulare County Farm Bureau.

On a related note, District staff will be meeting later in the month with State Senator Barbara Boxer to brief her on the Districts water supply program with the City of Orange Cove. Staff will also be testifying before an Assembly committee on a water storage bill introduced by Assemblyman Bill Maze.

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raise the water rate to make up some of the difference. As an example, a raise in the rate to \$40 per acre-foot would mean that \$500,000 would be borrowed from reserve instead of the \$1.2 million.

The Board and District staff appreciate any input you may have on these very difficult matters.

FRIANT MANAGER RESIGNS

Friant General Manager Dan Fults resigned as General Manager of the Friant Water Users Authority. Fults took over for Richard Moss in the fall of 2000. Moss had been the Friant General Manager since the inception of the Authority in 1983.

The Authority intends to begin a broad search for new General Manager after it undergoes an extensive evaluation process that will help determine the future of the Friant Organization.

LANDOWNER MEETING

YOU ARE INVITED TO A LANDOWNER MEETING ON
MAY 1ST AT 6:30 P.M.
DISTRICT OFFICE IN TIPTON

The *Legend* is published quarterly by the Lower Tule River Irrigation District. Questions about articles and items appearing in The *Legend* are encouraged. Readers are welcome to submit information they feel should be included. Both may be submitted to Lower Tule River Irrigation District. 559-686-4716