

MINUTES OF A MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER TULE RIVER IRRIGATION DISTRICT

The Board of Directors of the Lower Tule River Irrigation District met at a Regular Meeting on the 14th day of February, 2000, at 9:00 a.m. at the District office in Woodville, California. The meeting was called to order by President ROBERT F. BOWMAN. It was determined the following Directors were in attendance:

Director	Div. 5	2001	ROBERT F. BOWMAN
Director	Div. 3	2003	DONALD MACMILLAN
Director	Div. 2	2001	BENJAMIN SERAFIN
Director	Div. 4	2003	GARY FERNANDES
Director	Div. 1	2001	TONY SIMONICH

Also present was DAN G. VINK, General Manager for the District.

1. BOARD ADMINISTRATION

On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved, the agenda was approved as presented.

The minutes of the January 11, 2000 regular meeting were reviewed as mailed. On motion by Director FERNANDES, second by Director SERAFIN and unanimously approved, the minutes of the January 11, 2000 regular meeting were approved as mailed.

The financial statement for the month of January, 2000 was reviewed and on motion by Director SIMONICH, second by Director SERAFIN and unanimously approved the financial statement for the month of January was ordered placed on file. The financial statement is attached as (Exhibit "A").

The Local Agency Investment Fund earned an effective yield of 5.639% for December, 1999 compared to 5.824% for February 2000.

The District received 4th quarter interest from LAIF on deposited funds in the amount of \$46,753.00.

The Finance Committee has not met to review the January bills and as such no action was taken.

2. WATER CONDITIONS

Current water conditions were reviewed. The forecast for the Friant Kern Canal remains at 60% Class 1 and 0% Class 2. Although the most recent snow survey indicates that the most probable forecast now has a Class 1 declaration at 75% with the 10% accedence declaration at 25% Class 2.

General Manager VINK noted that the consensus of the water users is that the Bureau of declaration will increase with the upcoming water supply meeting.

Considerable discussion was given to the 2000 water rates. Both the contract water rates from the Bureau of Reclamation and the O&M charges was costed out by Friant Water Users' Authority. Indications are that the District will struggle to meet the net revenue position on water charges versus water payments for 2000.

General Manager VINK updated the Board on Westside deliveries including a letter written by the Contractors to Regional Director LESTER SNOW requesting carry over water of the undelivered 1999 water into 2000.

The Board engaged in further discussion on the 2000 water supply including the 2000 Tule River supply and any potential pre-irrigation water.

Given the dry conditions early in the season it is still preliminary to assume that there will be a pre-irrigation demand. Should the current wet pattern continue a Special Board meeting will be called later in the month to determine the water run and the water rate.

3. DISTRICT OPERATIONS

General Manager VINK reviewed for the Board various construction operations including the construction of the Hutchinson Basin. The Hutchinson Basin is due for completion some time near the end of February weather permitting. The Hutchinson Basin will then allow the District an additional 80 acres of recharge capabilities off of the #2 Lateral.

The District continues plans in conjunction with JG BOSWELL for rehabilitation of the Creighton Ranch structures. That work will commence once the weather allows.

General Manager VINK reported that the Tule River Channel Clearing is ahead of schedule and is concurrent with the budget as proposed to the Tule River Improvement Group. In addition the District continues grading and spraying of District facilities.

The District has received a letter from Counsel for the Bayou Vista East Company, MIKE NORDSTROM. Bayou Vista East Company has countered the Districts offer of \$150,000.00 for purchase of the Taylor Ditch Facility within the boundaries. Bayou Vista East is proposing to sale the Taylor Ditch to the Lower Tule River Irrigation District in the amount of \$200,000.00. After thorough review and discussion on the merits of owning Taylor Ditch within the District boundaries, on motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board directed staff to counter the Bayou Vista East Company's offer of \$200,000.00 with offer of \$175,000.00.

The District has received interest from the Pajaro Valley Water Management Agency. Pajaro Valley is interested in the assignment of approximately 20,000 acre feet of the Districts Cross Valley water supply to the Pajaro Valley Water Agency. Pajaro is requesting that the District indicate interest if they are serious in pursuing such a matter. After thorough review and discussion the Board concurred that given the changes in the water supply and the increase financial burden the District must carry as a result of its water supply. That an assignment to the Pajaro Valley Water Agency might be an appropriate activity and directed staff to respond accordingly.

General Manager VINK presented for the Board the Disclosure Policy. As prepared by

District Counsel and District staff. The Disclosure Policy would be for those requesting District information. After thorough review of the policy on motion by Director SIMONICH, second by Director MACMILLAN and unanimously approved the Board adopted the Disclosure Policy as presented by General Manager VINK. A copy of that Policy is attached as (Exhibit "B").

The Board reviewed various electrical matters relative to District operations including the ACWA/USA activities in the retention of an additional firm to help out ACWA/USA with its small energy customers. In addition the District has received correspondence from Provost & Pritchard indicating that the Southern California Edison rate case may once again make the Districts Electric Distribution Project viable. The Board directed staff to inquire further into the matter with Provost & Pritchard.

General Manager VINK reported on a variety of District activities and a correspondence including the 1998 O&M reconciliation's with the Bureau of Reclamation. The Computer activity within Lower Tule River Irrigation District in so far as programming is concerned in the Kern Tulare's request to contract for a more permanent supply off the Friant Kern system.

The Board then engaged in considerable discussion on Contract Renewals. A report was given on the January 26th negotiating session in Visalia. It appeared from that session that the Bureau has moved significantly off its original basis. A follow-up session has been scheduled for February 23rd in Visalia where at which time the Bureau will respond to the Contractors initiative.

The Board then went through the most key issues of the Contract Renewal process assigning a numerical rating to those issues of most importance to the District.

The Board spent time reviewing the B2 litigation and the Wanger decision along with the Proposition 13 the State water bond issue, various WAPA matters and the Riparianists meeting that is scheduled for the 22nd of February.

4. CROSS VALLEY CANAL

General Manager VINK updated the Board on the ownership/management discussions that are once again beginning to happen. In addition a report was given on the Advisory Committee activities for the month of January.

5. TULE RIVER ASSOCIATION

The Board spent time discussing the January Tule River Association Board meeting. The Tule River Association Board meeting will hold its February meeting on the 16th of this month.

General Manager VINK then presented for the Board a recommended revenue distribution for Success Power Project activities for 1999. After thorough review on motion by Director SERAFIN, second by Director SIMONICH and unanimously approved the Board recommended revenue distribution in the amount of \$250,000.00. General Manager VINK will advance that recommendation to the larger Tule River Association group at the February 16th meeting.

The minutes of the Tule River Association Board are distributed the Board members as

such are not repeated here.

6. FRIANT WATER USERS' AUTHORITY

The Friant Water Users' Authority Board meeting was held on January 27th in Visalia. Considerable at that meeting was spent discussing the Canal O&M methodology along with Exeter Irrigation District concerns relative to management of the Friant Water Users' Authority and the NRDC attorneys fees settlement.

The minutes of the Friant Board meeting are distributed and as such are not repeated here.

7. MISCELLANEOUS AUTHORITY/AGENCY

A. Mid-Valley Water Authority. Nothing new to report.

B. Deer Creek & Tule River Authority. DCTRA has a Board meeting on the 26th of January. Considerable time at that meeting was spent reviewing a proposal to back stop water supply for Terra Bella Irrigation District in return for use of Terra Bella land along Deer Creek. General Manager VINK presented a proposal as prepared for the Deer Creek Board to the Lower Tule Board. The Lower Tule Board concurred with the proposal as presented and agreed that staff should begin directing an agreement accordingly.

8. MEETINGS, HEARINGS AND NOTICES

The ACWA and ACWA/JPIA conference will be held in May.

9. MISCELLANEOUS MATTERS

C. Association of California Water Agencies

D. Central Valley Project Water Association

E. California Water Resources Association

F. National Water Resources Association

G. State Chamber of Commerce

H. Ag Water Committee

I. Water Education Foundation

J. California Farm Water Coalition

K. Family Farm Alliance. The District has received a request for support from the Family Farm Alliance. On motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board authorized support of Family Farm Alliance in the amount of \$100.00.

There being no further business to be brought to the Board's attention, the meeting was adjourned.

Respectfully Submitted,

Daniel G. Vink
General Manager