

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 11th day of January, 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 DANIEL G. VINK, General Manager for the District.

1. BOARD ADMINISTRATION

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

The minutes of the December 14, 1999 regular meeting were reviewed as mailed. On motion by Director FERNANDES, second by Director SIMONICH and unanimously approved, the minutes of the December 14, 1999 regular meeting were approved as mailed.

The financial statement for the month of December, 1999 was reviewed and on motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the financial statement for the month of December was ordered placed on file.

● The Local Agency Investment Fund earned an effective yield of 5.639% for December, 1999 compared to 5.374% for December, 1998.

● Considerable time was spent reviewing the assessment income during the month of December.

The Board reviewed the actions of the finance committee in paying the December bills. After thorough review and discussion on motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board ratified the actions of the finance committee in approving the December bills.

2. WATER CONDITIONS

Current water conditions were reviewed. The preliminary declaration for the Friant Kern Canal will be available to the Friant Contractors by the 21st of January. Preliminary indications are not good given the nominal precipitation in the Sierra Nevada range to date.

General Manager VINK reported on discussions he has had with a variety of representatives involved within the Districts eastside water supply and potential banking arrangements. In

particular discussions have occurred with TOM ASHLOCK who represents MIKE DRESSICK. The District had taken previous action to withdraw a portion of the contract with MIKE DRESSICK. MR. ASHLOCK has responded by offering a take and pay type contract that involves changing the ratchet down clause. The Board concurred that a take and pay type contract would be appropriate but was not interested in changing the current ratchet down provisions in the contract.

The Board reviewed the problems on the export side of Cross Valley Canal deliveries. To date only about 25% of the Cross Valley water has been delivered to the Westside contractors. General Manager VINK reported on various conference calls and meetings that have been held and will continue to be held with State and Federal representatives to try to rectify the matter.

Given the current dry conditions the Kern Tulare & Rag Gulch Water Districts have requested to buy water for the balance of the 1999 water year and for the 2000 water year. The Board directed General Manager VINK to explore the options available to the District given the Kern-Tulare proposal.

At 9:45 the meeting was temporarily suspended so the Board could attend the funeral of long time District Landowner JOANNE QUATACKER.

3. DISTRICT OPERATIONS

General Manager VINK reported on various constructions and maintenance activities throughout the District. The District has begun work on the Hutchinson Basin construction after having negotiated a price with VLACH LAND LEVELING CO. to move the dirt at .80¢ a yard. In addition the District has begun preparation for rehabilitation of the Creighton Ranch structures. That work is being done in conjunction with JG BOSWELL BOSWELL providing the design work and cost sharing in the construction activity.

The Board spent time reviewing the proposed Tule River Channel Clearing including aerial video footage that was taken of the Tule River Channel Clearing. Work began on the Tule River Channel Clearing on the 10th of January and is projected to conclude sometime in March. The work on the Tule River Channel Clearing is being done in conjunction with the Tule River Improvement Joint Power Agreement.

The Board spent considerable time reviewing the 2000 compensation proposal as submitted by the Employees Association. The employees have requested a 2.5% cost of living increase and have requested that the District authorize PERS to begin an actuary evaluation. The purpose of the actuary evaluation will be to determine the cost of changing the Districts PERS retirement contract from a 3-year final compensation valuation to a 1-year final compensation valuation. After thorough review and discussion on motion by Director SIMONICH, second by Director SERAFIN and unanimously approved the Board authorized a 2% cost of living increase for the 2000 calendar year and approved the request for an actuarial valuation to determine the change in final compensation.

General Manager VINK also presented a proposed salary increase for Watermaster GARY

PEREZ in the amount of 4%. After thorough review and discussion on motion by Director MACMILLAN, second by Director SERAFIN and unanimously approved the Board authorized a salary increase for Watermaster GARY PEREZ in the amount of 4%.

General Manager VINK reported that information is available on the Proposition 13 Bond issue. The Prop. 13 Bond would supply monies to the State of California Water Agencies for water supply and water quality.

The Board reviewed the Contract Renewal process between the Bureau of Reclamation and the Central Valley Project contractors. An initial negotiating session was held on December 15th and 16th in Sacramento. General Manager VINK reported that an amicable tone was pervasive throughout the meeting. There will be follow-up meetings in Modesto later this month with the Bureau of Reclamation. Pursuant to the process agreement with the Bureau of Reclamation and the Central Valley Project contractors, a round of divisional negotiations is scheduled for January 26th in Visalia.

General Manager VINK presented to the Board a draft of the Districts proposed newsletter. The Board reviewed the newsletter and directed staff to proceed with development accordingly.

Considerable discussion was had relative to the Districts take over of the Taylor Ditch facility. General Manager VINK reported on a meeting held with Taylor Ditch representative MIKE NORDSTROM. VINK and NORDSTROM have introduced a proposal whereby Lower Tule River Irrigation District would pay the Bayou Vista Ditch Company \$75,000 for right-of-way and \$75,000 for mitigated earth work in order to acquire title to the Taylor Ditch facility running through the District boundaries. After thorough review and discussion the Board concurred that the District was on the right track with the Taylor Ditch discussions and directed General Manager VINK to proceed accordingly.

The District has purchased an additional 1.175 shares of Poplar Ditch Stock in the amount of \$18,000.00 per share. The District now owns 27 ½ of the 158 shares of Poplar Ditch Stock.

The District has received notice from the WAPA that effective April 1st the Westland's withdrawable power will be reduced to .35 mega watts with another ratchet down scheduled there after. In order to make up for the withdrawing of the Westland's Power on motion by Director FERNANDES, second by Director MACMILLAN and unanimously approved the Board authorized proceeding with an application for CVP 2005 resource pool allocation power. That application will be filed in conjunction with consulting Engineer STUART ROBERTSON.

General Manager VINK reported on an increase in the Districts Vision Insurance rates. After thorough review of the process it has become evident that the District may want to research the possibility of self-funding the Vision Insurance portion of the benefits. More work will proceed as information becomes available.

The District has received notice from the ACWA-USA utility service agencies program that new RFP's will be issued for the replacement of the electric service agreement with New Energy Ventures.

The District has also received notice from the JPIA that the claim from MARGIE MORGAN has been settled in the amount of \$6,000.00 and the appropriate paper work has been filed.

The District has received notice from ACWA that the interest on delinquent assessments from January 2000-June 2000 has been set at 8%.

With the first meeting of the year comes the need to reorganize the Board and elect new officers. Pursuant to proper protocol Chairman BOWMAN turned the meeting over to General Manager VINK. VINK then opened up the floor to nominations. It was moved by Director SERAFIN, second by Director MACMILLAN and unanimously approved that Director BOWMAN be appointed to another term as President of the Board. The nomination process was then closed and President BOWMAN reassumed the chair of the meeting.

The Board reviewed the current list of appointments for representation on various agencies that the District is involved with. After thorough review and discussion on motion by Director SERAFIN, second by Director MACMILLAN and unanimously approved the current slate of officers and appointments with Director FERNANDES appointed to serve on the Joint Powers Insurance Authority.

The Board spent time reviewing the Districts Investment Policy and Guidelines. After thorough review and discussion on motion by Director SERAFIN, second by Director MACMILLAN and unanimously approved the Investment Policy and Guidelines were approved as presented. A copy of the Investment Policy and Guidelines is attached as (Exhibit "B & C").

4. CROSS VALLEY CANAL

General Manager VINK reported on various Cross Valley Canal advisory committee activities including the discussion of an inter-tie between the Friant Kern Canal and the Cross Valley Canal.

5. TULE RIVER ASSOCIATION

The Board reviewed the December 22nd TRA Board meeting. Considerable time at that meeting was spent discussing Success Reservoir Enlargement activities. In addition the Board reviewed the Tule River Improvement Joint Powers Agreement quarterly meeting that was held on the 10th of January in Porterville. Considerable time at that meeting was also spent discussing the Tule River activities in particular the Success Reservoir Enlargement. The minutes of the Tule River Association meeting and the Tule River Improvement Joint Powers Agreement are distributed to the Board and as such are not repeated here.

6. FRIANT WATER USERS' AUTHORITY

Considerable time was spent discussing the Friant meeting and the January 5th workshop that was held in Visalia on Contract Renewal matters.

General Manager VINK reported that Friant has requested that the Board representatives come to the next Friant Board meeting prepared to authorize settlement of the NRDC attorneys

fees. After thorough review and discussion on motion by Director SERAFIN, second by Director SIMONICH and unanimously approved Director BOWMAN was given authorization to vote to settle the NRDC attorney fees matter with collective exposure to the Friant Water Users not to exceed \$800,000.00.

7. MISCELLANEOUS AUTHORITY/AGENCY

- A. Mid-Valley Water Authority. Director SERAFIN and General Manager VINK reported on the December 17th Mid-Valley Water Authority meeting. Considerable time at that meeting was spent discussing whether Mid-Valley should become engaged in the restoration of yield relative to the B2 implications. It was the direction of the Mid-Valley Water Authority Board that Engineer SCHAFER and Manager TAYLOR begin to explore that with the Bureau of Reclamation. The Lower Tule Board of Directors concurred that that was not the most appropriate direction for the Mid-Valley Water Authority and as such directed staff to begin exploring the potential to withdraw from the Mid-Valley Water Authority.
- B. Deer Creek & Tule River Authority. A meeting will be held of the Board of Directors of the Authority later in the month of January. Considerable time at that meeting is expected to be held discussing the Terra Bella Basin issues.

8. MEETINGS, HEARINGS AND NOTICES

The Mid Pacific Water Users conference will be held the 19th through the 21st in Reno. General Manager VINK and Director BOWMAN will attend to represent the District.

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. The District has received a request for support from the California Farm Water Coalition. After thorough review and discussion on motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board authorized support to the California Farm Water Coalition in the amount of \$1,000.00.

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

Respectfully Submitted,

Daniel G. Vink
General Manager