



MINUTES OF A REGULAR 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 in a regular Meeting on the 9th day of April 2002, at 9:00 a.m. at the District office in Woodville, California. The meeting was called to order by President BENJAMIN R. SERAFIN. It was determined the following Directors were in attendance:

Director	Div. 2	2005	BENJAMIN SERAFIN
Director	Div. 3	2003	DONALD MACMILLAN
Director	Div. 4	2003	GARY FERNANDES
Director	Div. 1	2005	TONY SIMONICH
Director	Div. 5	2005	DIANE BOWMAN-FRIEND

District Staff Present: DANIEL G. VINK – General Manager
FRANCIA MENDOZA-REYES – Controller

1. BOARD ADMINISTRATION

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

The minutes of the March 12th regular meeting were presented for review. After thorough review and discussion, on motion by Director SIMONICH, second by Director BOWMAN-FRIEND and unanimously approved the minutes of March 12th, 2002 regular meeting were approved as presented.

The Board reviewed the Financial Statement for the month of March 2002:

- General Manager VINK reported on outstanding receivables for prior year water delinquencies. The total is \$81,571.
- Interest earned during the first quarter of 2002 was not reported.
- LAIF earned an effective yield of 2.861% for March 2002 and 5.976% for March 2001.
- Controller FRANCIA MENDOZA-REYES updated the Board on the status of the Districts 2000 Fiscal year U.S. Bureau of Reclamation refund. That refund, in the amount of approximately \$370,000, is due to the District during the month of April.



After thorough review and discussion, on motion by Director SIMONICH, second by Director MACMILLAN and unanimously approved the financial statement was accepted and ordered placed on file.

The Board reviewed the accounts payable for the month. On motion by Director FERNANDES, second by Director SIMONICH and unanimously approved the Board ratified the action of the finance committee in payment of the February bills following the March meeting. The Finance Committee will meet following the April meeting to review the March bills.

ERIC WHITE, Auditor for the District, entered the meeting to review with the Board the audited financial statements for 2000 and 2001. After thorough review and discussion, on motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board accepted the financial statement as presented by Adair, Evans, Erwin, White, Morris & Stuber and ordered it placed on file. A copy of the audited financial statement is attached as (Exhibit "A").

2. WATER CONDITIONS

Current water conditions were reviewed. The forecast for the Friant Division has been set at 100% Class 1. There remains a chance some Class 2 water could be made available later in the summer depending on San Joaquin River run-off for April-July. The Board spent considerable reviewing the 2002 summer water run. Potential water runs were targeted to begin in the middle of May with on and off cycles extending the summer water run sometime into August. A final decision on the water run will be made at a subsequent meeting.

The Board reviewed the issue of the US Bureau of Reclamation CFO audit and the resulting changes from Capital to O&M Expenses for all Bureau projects with approximately \$33,000,000 to be allocated to the waterusers in the Central Valley Project. Of the \$33,000,000 approximately \$8,000,000 will be allocated to the Friant division. The total amount to be paid by the District is not yet known and more information will be forthcoming.

The Board reviewed the executed agreement with the City of Orange Cove and the water supply transfer agreement. The Board was pleased with the press conference and the signing ceremony that was held earlier in the month in Orange Cove.

The Board reviewed the 2002 Poplar Ditch entitlement. No action was taken.

3. DISTRICT OPERATIONS

The Board reviewed a variety of construction and maintenance activities in the District. General Manager VINK reviewed reported that the Seitz Ditch Pipeline is near completion with final completion estimated for the week of the 20th of April. The Westside Inter-tie project is also moving forward. The final road-crossing at Avenue 152 is scheduled for the 17th of April. It is estimated that the 1st phase will be operational by June 1st.

The Board reviewed a variety of personnel issues including the work being done by District staff with consultation with Effective Training Concept staff to review District safety programs and various human resources issues in an effort to improve District policies relative to hiring and other employment issues. General Manager VINK updated the Board on the recruiting process for the replacement of the Water Resources Engineer. No action was taken.

The District has received a request from the Employees for an actuarial study to review a modification in the Districts PERS retirement policy for a change from 2% at 55 to 2.7% at 55. The actuarial study comes at no cost to the District. On motion by Director BOWMAN-FRIEND, second by Director MACMILLAN and unanimously approved the Board authorized the actuarial study.

A variety of administrative matters were reviewed including:

- ✓ Meetings with the Fish and Game relative to the 1601 permitting process,
- ✓ Rulings by the Environmental Protection Agency relative to discharge of waters into District canals and;
- ✓ Proposed work on various County roads.

General Manager VINK presented for the Board agreements with the Department of Fish and Game, the US Fish and Wildlife Service and the Bureau of Reclamation for the funding of a well at the Toledo Basin. The funded well would be used as part of the ongoing efforts by the District, in cooperation with the US Fish and Wildlife Service, for the propagating of the tri-colored blackbirds in the area. Those efforts have been undertaken in order to protect landowners in the area. On motion by Director BOWMAN-FRIEND, second by Director FERNANDES and unanimously approved the Board authorized execution of the agreements with the US Fish and Wildlife Service and the US Bureau of Reclamation.

The Board reviewed correspondence from CH2MHILL. CH2MHILL is preparing the initial study for the renewal of long-term water service contracts for the Central Valley Project - Cross Valley Canal. Lower Tule is the lead agency for the CVC



Contractors. CH2MHILL will be doing the work with an upper limit set at \$18,000. After thorough review and discussion on motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the Board authorized execution of the contract with CH2MHILL in the amount not to exceed \$18,000. That cost will be shared amongst the other Cross Valley Canal contractors at pre-arranged percentages.

FRANCIA MENDOZA-REYES presented to the Board an update on the systems upgrade for the District. The Board reviewed a variety of related issues; more information will be forthcoming at a subsequent meeting.

General Manager VINK reviewed correspondence and conversations with Taylor Ditch representative MIKE NORDSTROM. The District has received a proposal from Bayou Vista Ditch Company to transfer the Taylor Ditch to Lower Tule River Irrigation District. Operative terms of the agreement would include:

1. The District reserving an easement for Bayou Vista Ditch Company (BVDC) in the amount of 75 CFS.
2. The District will pay BVDC \$175,000 for the title to the facilities
3. BVDC will reserve the right to purchase up to \$175,000 worth of water from the District in years when Class II water is available. The cost to BVDV for the water would be the District's published rate.

After thorough review and discussion on the matter, on motion by Director FERNANDES, second by Director BOWMAN-FRIEND and unanimously approved the Board authorized proceeding with agreements with the BVDC under the above terms and conditions.

The Board reviewed a variety of matters related to the construction of the office project with the Pixley Irrigation District. Earlier in the month construction on the pad began with the contract being awarded to Hoffman Engineering. On motion by Director BOWMAN-FRIEND, second by Director SIMONICH and unanimously approved the Board ratified the actions of General Manager VINK in awarding the contract for the construction of the pad to Hoffman Engineering. General Manger VINK provided the Board with an update on the bid process and the architectural work. It is estimated that the bid process will be approximately 3-4 weeks in length. It is expected that the project will be ready to go out to bid sometime in the 1st part of May. The District will need to construct water and sewer services to the property in conjunction with the Tipton Community Services District. The project for water and sewer construction is going out to bid and will be awarded sometime later in the month. After thorough review and discussion on motion by Director FERNANDES, second by Director BOWMAN-FRIEND

and unanimously approved the Board authorized execution of a contract to proceed with water and sewer installation after consultation with the President and Vice-Presidents of the Pixley and Lower Tule River Irrigation District Board of Directors.

The Board then spent considerable time reviewing financing proposals for the office project from the Bank of Visalia, Bank of the Sierra and Kaweah National Bank. After thorough review of the proposals and considering the merits of financing, on motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board authorized staff to proceed with financing of the office project with the Kaweah National Bank. Terms of the financing proposal are at an amount up to \$500,000 with a 5% interest on a 15-year term with a 10-year balloon.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley Canal activities including the ownership management agreement and an inflammatory letter sent by the Cawelo Water District to the Kern County Water Agency Board of Directors withdrawing their support for the ownership management agreement.

5. TULE RIVER ASSOCIATION

The Board reviewed the March 20th and the upcoming April 17th meetings of the Board of Directors of the Tule River Association. Considerable time at those meetings was spent discussing standard Tule River Association activities. The minutes of the TRA Board of Directors have been distributed to the Board and are not repeated here.

The Board reviewed a variety of SRE projects including meetings in Washington D.C. that indicated that the funding for SRE project should be back on track with funding expected for fiscal year 2003.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the March 28th meeting of the FWUA. Considerable time at that meeting was spent discussing a global settlement with the Bureau of Reclamation, the Exchange Contractors, Westlands Water District and Friant relative to a variety of issues associated with water rights. After thorough review and discussion on motion by Director SIMONICH, second by Director BOWMAN-FRIEND and unanimously approved the Board adopted the position of engagement relative to discussions with the Westlands Water District. The minutes of the FWUA Board of Directors have been distributed to the Board and are not repeated here.

7. MISCELLANEOUS AUTHORITY/AGENCY

- A. Mid-Valley Water Authority. Nothing new to report.
- B. Deer Creek & Tule River Authority. The Board reviewed the March 24th Deer Creek and Tule River Authority meeting. Considerable time was spent discussing the global settlement as proposed by the Friant Water Users Authority. The DCTRA Board will also be meeting on the 12th of April to discuss the disposition of the NFWF Grant recently received by the Authority.

8. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

9. MEETINGS, HEARINGS & NOTICES

The ACWA legislative symposium was held on March 19th & 20th in Sacramento. Director BOWMAN-FRIEND attended to represent the District and gave the Board a report on the conference. The ACWA spring conference is being held in Monterey during the week of May 6th. General Manager VINK will attend to represent the District.

10. MISCELLANEOUS MATTERS

- A. Association of California Water Agencies
- B. Central Valley Project Water Association
- C. California Water Resources Association
- D. National Water Resources Association
- E. State Chamber of Commerce
- F. Ag Water Committee
- G. Water Education Foundation
- H. California Farm Water Coalition.
- I. Family Water Alliance. The District has received a request for support from the Family Farm Alliance. After thorough review and discussion on motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board authorized support for the Family Farm Alliance for 2002 in the amount of \$500.



There being no further business to brought to the Boards attention the meeting was adjourned.

Respectfully Submitted,

Daniel G. Vink