



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 11th day of February 2003, at 9:00 a.m. at the District office in Tipton, 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 ABSENT

District Staff Present: DANIEL G. VINK – General Manager
ERIC LIMAS - Controller
MIKE BATTLES – O&M Superintendent

1. BOARD ADMINISTRATION

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

The minutes of the January 14th, 2003 regular meeting were distributed for review, on motion by Director FERNANDES, second by Director MACMILLAN and unanimously approved the minutes of the January 14th, 2003 regular meeting were approved as presented and ordered placed on file.

The Board reviewed the Financial Statement for the month of January 2003. Considerable time was spent reviewing the format and status of the District's reserve accounts. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the Board accepted the financial statement as presented and ordered them placed on file. Included in the action was Board direction to place all receipts from the Kern County Water Agency relative to Cross Valley Canal revenue for 2002 into the water reserve account.

The Board reviewed the actions of the finance committee in directing payment of the December bills, following the January meeting. On motion by Director MACMILLAN,

second by Director SIMONICH and unanimously approved the Board ratified the actions of the finance committee in paying the December bills.

General Manager VINK and Controller LIMAS brought various administrative matters to the Boards attention including new signature cards that need to be processed. General Manager VINK also briefed the Board on the Lower Tule and Pixley Water and Power Authority bank account and recommended that that account be closed. Staff will spend some more time clarifying actual dollar amounts and balances in the account with a recommendation to be forth coming at the March meeting.

2. WATER CONDITIONS

Current water conditions were reviewed. The declaration for the Friant division has preliminarily been set at 70% Class One. That represents a conservative declaration, which is expected to increase as the water year progresses.

The Board reviewed a variety of ground water and water supply issues. General Manager VINK reported that an adjourned regular meeting would need to be held on the 28th of February wherein the Board will authorize signature to Cross Valley Interim Renewal Contracts and accept the Negative Declaration as prepared and order it recorded. On motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board set an adjourned regular meeting on the 28th of February.

General Manager VINK then presented for the Board a request from landowner DAVID BOYETT. BOYETT has requested that the District allow him to export groundwater from his wells within the District to land outside the District. The Board spent considerable time discussing the pros and cons of such a request and the precedent that might be set. After thorough review and discussion on motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board directed staff to draft a groundwater exporting policy. The key elements of the policy would include:

1. That exporting/transferring of groundwater would occur for a one-year basis only.
2. Exporting would be considered on a case-by-case basis
3. No more than 2,500 acre-feet per landowner.
4. Reimbursement to the District of \$16 per acre-foot for each acre-foot of groundwater extracted.

5. The water could only be used on land outside the District that is owned by the user.

Staff will prepare a draft of the policy and submit it for a review at a subsequent meeting.

3. DISTRICT OPERATIONS

The Board reviewed a variety of construction, maintenance activities. O&M Superintendent BATLLES reviewed with the Board the Little Pioneer repair and the Poplar Ditch project as well as ongoing maintenance, grading and spraying.

At 10:15 President SERAFIN moved the meeting into closed session to discuss the NRDC vs. Rogers litigation. General counsel DAN DOOLEY entered the meeting by speakerphone and reviewed with the Board the status of the case. At 10:35 the meeting was brought out of closed session and President SERAFIN reported that no action had been taken.

The Board then reviewed various administrative matters pertinent to the District. Included in that was a letter from Webb & Son wherein Webb requested that the District consider December 28th as the date of completion of the Districts new office as it relates to the stoppage of the clock for the purpose of liquidated damages. The contract entered into between Webb & Son and Lower Tule and Pixley Irrigation Districts sets the filing of the notice of completion as the date in which the liquidated damages stop. After thorough review and discussion the Board reached a consensus that is was in the best interest of all parties to not deviate from the contract that had been executed and directed that staff respond to Webb & Son accordingly.

General Manager VINK presented for review several agreements that had been completed and are now in final form.

- The first agreement was with J.G Boswell governing the use of the Boswell Well Field. On motion by Director FERNANDES, second by Director MACMILLAN and unanimously approved the Board authorized execution of the final draft of the agreement.
- General Manager VINK then presented for approval the agreement between Lower Tule and Pioneer Water Company for the management of the Pioneer Water Company system by the Lower Tule River Irrigation District. On motion by Director SIMONICH, second by Director

FERNANDES and unanimously approved the Board authorized execution of the final draft of the Pioneer agreement.

- General Manager VINK then submitted for discussion the agreement between Lower Tule River Irrigation District and California Dairies Incorporated for the use of District facilities by CDI. On motion by Director SIMONICH, second by Director MACMILLAN and unanimously approved the Board authorized execution of the agreement between Lower Tule River Irrigation District and CDI.

All three of the agreements had been discussed at length at prior Board meetings with consensus reached on the various drafts. Copies of the final executed agreements are attached as Exhibit "A".

General Manger VINK, Controller LIMAS and O&M Superintendent Battles then presented for review a staff proposal reconsidering the Districts equipment rates. The reconsideration of the rates would adopt a proposed equipment rate and apply an overhead rate to the equipment rate. The revised equipment rate would then be reduced by 20% for landowners within the District and for work done for the Pixley Irrigation District or for Pixley Irrigation District landowners. The proposed rate structure would eliminate two of the four current rate structures leaving just a custom rate and a landowner rate. The proposed equipment rates would be reflective of actual cost to rent equipment from similar organizations. The over-head rate of 135% would be representative of the Districts salary and payroll expenses with at factor allowing for other over-head items. The proposed equipment rental rates for 2003 would differ from the existing rates. Staff requested feedback from the Board and a lengthy discussion ensued. No action was taken.

4. CROSS VALLEY CANAL

The Board reviewed the disbursement of funds for Cross Valley Canal participants. The District received an excess of \$90,000 for 2002. That money will be placed into water purchase reserves.

5. TULE RIVER ASSOCIATION

The Board reviewed the January 15th meeting of Tule River Association Board of Directors. Considerable time at that meeting was spent discussing the enlargement project and matters related thereto.

The minutes of the TRA Board of Directors have been distributed to the Board and are not repeated here.

General Manager VINK briefed the Board on several Success Reservoir Enlargement activities. Including concerns from the City of Porterville about their share of the Success Reservoir Enlargement cost and mitigating any cost increases.

General Manager VINK also presented a contract spillway modification between the TRA members and the Bureau of Reclamation. That contract had been submitted to the Board for their review on a prior occasion. The spillway contract modification is actually a safety of dams issues and will be completed regardless of the enlargement project. The work being done, and related costs, as a result of the spillway will be encompassed into the overall enlargement project. On motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board authorized execution of the spillway modification contract.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the January meeting of the FWUA Board of Directors. Considerable time at that meeting was spent discussing San Joaquin River issues. The minutes of the FWUA have been distributed to the Board and are not repeated here.

7. MISCELLANEOUS AUTHORITY/AGENCY

- A. Mid-Valley Water Authority.
- B. Deer Creek & Tule River Authority.

8. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

9. MEETINGS, HEARINGS & NOTICES

The Mid-Pacific Water Users conference was held on the later part of January.

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. California Chamber of Commerce.



- F. Ag Water Committee
- G. Water Education Foundation
- H. California Farm Water Coalition.
- I. Family Water Alliance.

There being no further business to be brought to the Board's attention the February 11th regular meeting was adjourned until February 28th at 11:00 a.m. at which time the District will consider the execution of the Cross Valley Interim Renewal contracts and the certifying of the Environmental documentation related there to.

On February 28th, 2003 at 11:00 a.m. at the District office in Tipton, California the February 11th adjourned regular meeting was reconvened. It was determined that the following Directors were in attendance.

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

District Staff Present: DANIEL G. VINK – General Manager
ERIC LIMAS - Controller
MIKE BATTLES – O&M Superintendent

On motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the agenda for the day was accepted. Three items on the agenda: authorizing signature to execute the Cross Valley Interim Renewal contract, certification of the negative declaration prepared for the Cross Valley Interim Renewal contract #7 and adopting resolution 2003-2-2 approving the final form of the Interim Renewal contract. General Manager VINK presented both items for review.



On motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved Resolution 2003-2-1 authorizing execution of the 2003 Cross Valley Interim renewal contracts and all related documents.

On motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board adopted Resolution 2003-2-2 approving the final form of the Cross Valley Interim Renewal contract.

On motion by Director SIMONICH, second by Director MACMILLAN and unanimously approved the Board adopted resolution 2003-2-3 certifying the negative declaration prepared for the Cross Valley Interim Renewal contract #7.

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

Respectfully Submitted,

Daniel G. Vink