



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 17th day of September 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 FERNANDES, second by Director MACMILLAN and unanimously approved, the agenda was approved as presented.

The minutes of the August 20th, 2002 regular meeting were presented for review. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the minutes of the August 20th meeting were accepted and placed on file.

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

- LAIF earned an effective yield of 2.594% for August 2002 and 4.502% for August 2001.
- General Manager VINK reported on water delinquencies and outstanding water accounts receivable through the end of August.
- The Board spent time reviewing a cash flow projection for September 1st 2002 through January 1st 2003. It is projected that the District will end its cash position for the year very similar to what the District started the year estimated at approximately \$4.4 million.



The Board reviewed the actions of the finance committee in payment of the July bills following the August meeting. After thorough review and discussion, on motion by Director FERNANDES, second by Director MACMILLAN and unanimously approved the Board ratified the actions of the finance committee in paying the July bills and ordered placed on file.

2. WATER CONDITIONS

Current water conditions were reviewed. The declaration for the Friant Division remains at 100% Class 1 and 8% Class 2. There is a potential for a minor increase in Class 2 allocation later in the fall.

The District has ended summer irrigation deliveries and as such the Board reviewed a yearly recap on water deliveries. For 2002 the District retained 78,511 acre-feet of Friant water, 25,459 acre-feet of Tule River water for total water retained in the District of 103,970. Sales to growers were 72,275 acre-feet or approximately 73% of the water retained in the District

General Manager VINK reviewed a variety of water related activities including 2002 Cross Valley deliveries. The District has received its revenue distribution for 2002 Cross Valley deliveries in the amount of \$400,000. General Manager VINK also provided a status update on other water related issues including:

- A possible increase in South Delta allocation from 65-70%.
- The 2002 crop survey,
- A status report on the B2 litigation and;
- The drafting of the agreement with Porterville Irrigation District for the long-term transfer of Tule River water.

3. DISTRICT OPERATIONS

The Board reviewed a variety of construction and maintenance activities in the District.

General Manager VINK presented for review the upgrading of the Districts fuel distribution system. The fuel distribution system is approximately 14 years old and is in need of upgrade to become more efficient and in compliance with local and state regulations. After thorough review and discussion, on motion by Director BOWMAN-FRIEND, second by Director MACMILLAN and unanimously approved the Board authorized the upgrading of the fuel distribution system in an amount not to exceed



\$30,000. Included in the motion was the direction to have the finance committee review the proposal with District staff prior to acceptance of the contract.

General Manager VINK reviewed the fall and winter maintenance schedule as prepared by District staff. Through out the fall and winter months the District will be undertaking a variety of maintenance activities including liner replacements and gate rehabilitations.

General Manager VINK presented for review proposed changes to the Districts health insurance program effective the 1st of the year. Cal-Pers which is the Districts health insurance coverage provider, will no longer offer PacifiCare as an option for health care coverage. As a result the District will be limited to the following health care plans:

Blue Shield HMO
Pers Choice
Pers Care

In addition rate increases of approximately 30% are expected. After thorough review and discussion reviewing the information available and the proposed rate increases, on motion by Director SIMONICH, second by Director MACMILLAN and unanimously approved the Board modified its policy for providing insurance to employees to reflect the following:

1. Effective January 1st, 2003 the District will offer Blue Shield HMO and Pers Choice coverage to all employees.
2. The District will continue to pay for the employee share of the coverage along with 50% of the dependents coverage.
3. The District will offer Pers Care insurance to all employees with the District's contribution being limited to the cost incurred to cover an employee, or an employee with dependents, under the Pers Choice coverage.

At 10:00 a.m. President SERAFIN opened the Board of Equalization hearing. The Board spent considerable time reviewing the District assessment procedure and in particular an assessment procedure flow chart as prepared by District Assessor BETH GROTE-LEWIS. The Board also received a report from the AD-HOC committee made up of Director FERNANDES and Director SIMONICH who met to review the proposed changes to the assessment for 2003. The proposed changes reflect the updating of the Districts assessment grid to parallel the Bureau's land classification maps as per the



Districts policy for assessments. The Board then considered Resolution 2002-9-1 setting the Districts assessment rate for 2003. After thorough review and discussion, on motion by Director BOWMAN-FRIEND, second by Director SIMONICH and unanimously approved the Board set the 2003 assessment rate at .08% of the aggregate value of the lands within the District according to the last equalized assessment and further directed that the annual assessment be made upon all lands within the District. The assessment rate remained unchanged from the previous year. No one was present to discuss the assessment changes and the proposed assessment roll and as such at 10:20 a.m. President SERAFIN closed the Board of Equalization hearing.

The Board began the discussion for the 2003 budget. General Manager VINK presented for review a 6-year plan for equipment replacement and rehabilitation. For the years 2003-2008 is estimated that the District will need to spend approximately \$100,000 for equipment replacement. The \$100,000 expenditure reflects the Districts ability to amortize the cost of new and replaced equipment over a 3-5 year period via lease purchased options.

The Board took under consideration the proposed Reserve Policy and Guidelines as prepared by District staff. The reserve policy and guidelines reflects the Districts policy relative to the accumulation of reserves and what the reserves can be designated for. The reserve policy had been taken up a subsequent meeting and since that time has been augmented by staff and reviewed by the Board. After thorough review and discussion on motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the Board adopted the proposed Reserve Policy and Guidelines outlining the procedure for the accumulation and use of District reserves. The reserve policy will become finalize pending review of Counsel.

The Board then reviewed the 2003 projected income statements along with the 2003 proposed budget. The proposed budget for 2003 reflects an overall increase of \$111,533 or 1.2%. \$84,466 of the increase is made up in additional projected cost for water supply. After thorough review and discussion, on motion by Director BOWMAN-FRIEND, second by Director MACMILLAN and unanimously approved the Board adopted the 2003 budget as presented by staff.

General Manager VINK updated the Board on the process of the office construction and circulated pictures for review. No action was taken.

General Manager VINK reported the Tulare Irrigation District has now joined with the Lower Tule River Irrigation District and other irrigation districts in the cost sharing of



Counsel Dooley's services relative to the San Joaquin River Restoration process and settlement negotiations with NRDC.

General Manager VINK updated the Board on a variety of personnel issues and shared with the Board a projected organizational chart to be considered under joint operations with the Pixley Irrigation District. The Board spent considerable time reviewing the organizational chart and concurred that a joint meeting with the Pixley Irrigation District was needed for later in the month of October.

4. CROSS VALLEY CANAL

The Board received an update on a variety of Cross Valley issues including the mediation process ongoing with the Kern County Water Agency for internal issues within Kern County and discussions with TOM CLARK relative to the use of the Districts water and Cross Valley space.

5. TULE RIVER ASSOCIATION

The Board reviewed the August 21st meeting of the Tule River Association. Considerable time at that meeting was spent discussing Success Reservoir Enlargement activities and a monthly briefing on Tule River operations. The September meeting of the Tule River Association will be held on the 18th. The minutes of the TRA Board of Directors have been distributed to the Board and are not repeated here.

General Manager VINK reviewed a memorandum from former Engineer-Manager ROGER ROBB relative to the replacement of the monovar valve at the SPP. No action was taken.

The Board also reviewed a variety of Success Reservoir Enlargement activities including the 2003 state and federal funding issues and various meetings held throughout the month to review documents and construction schedules.

General Manager VINK presented for review Resolution 2002-9-2 authorizing execution of the project cooperation agreement by Lower Tule River Irrigation District who has been designated as the lead agency for the local participants. After thorough review and discussion on motion by Director MACMILLAN, second by Director FERNANDES and unanimously approved the Board adopted Resolution 2002-9-2.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the August 22nd meeting of the FWUA. Considerable time at that meeting was spent discussing the San Joaquin River settlement issues along with Proposition 50. Proposition 50 is entitled the Water Security, Clean Water, Coastal and Beach Protection Act of 2002. The Friant Board has requested that the Districts individually take positions relative to Proposition 50. After considerable review, on motion by Director BOWMAN-FRIEND, second by Director SIMONICH and unanimously approved the Board took a position of opposed to the bond issue and directed Director MACMILLAN to vote accordingly at the September meeting of the Friant Board.

7. MISCELLANEOUS AUTHORITY/AGENCY

- A. Mid-Valley Water Authority. Nothing new to report.
- B. Deer Creek & Tule River Authority. The DCTRA will be having its Board meeting on September 20th at the District office. The minutes of the Deer Creek & Tule River Authority have been distributed to the Board and are not repeated here.

8. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

9. MEETINGS, HEARINGS & NOTICES

The Tulare County Water Committee will be meeting later in the month along with the ACWA and ACWA/JPIA conference to be held in November

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.

Following the close of agenda business items General Manager VINK informed the Board that Controller MENDOZA-REYES would be resigning from the District. MENDOZA-REYES had previously submitted her letter of resignation to General Manager VINK. As per protocol President SERAFIN moved the meeting into closed session to discuss the matter. Upon coming out of closed session President SERAFIN reported that no action was taken.

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

Respectfully Submitted,

Daniel G. Vink