



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 13th day of May 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

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

1. BOARD ADMINISTRATION

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

The minutes of the April 8th, 2003 regular meeting were presented for review, on motion by Director MACMILLAN, second by Director BOWMAN-FRIEND and unanimously approved the minutes of the April 8th, 2003 regular meeting were approved as presented.

The financial statement for the month of April was reviewed and along with the financial statement, a 2003 water cost to revenue accounting and a 2003 cash flow report were presented. After thorough review and discussion on motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board accepted the financial statements for the month of April and ordered them placed on file.

District staff presented some concerns related to the Local Agency Investment Fund and the security of District monies held in the LAIF account. The concerns are relative to the state budget problems, in particular the concern LAIF monies maybe impounded in some way. On motion by Director BOWMAN-FRIEND, second by



Director FERNANDES with Director SIMONICH voting in opposition the District withdrew all of its money from LAIF and placed it in the Districts local account at Kaweah National Bank. The Board also scheduled an adjourned regular meeting for the 21st of May 2003 at which time the District will review its investment policy and guidelines and decide on the most appropriate place for investment of District funds.

The Board reviewed the actions of the finance committee in paying the March bills following the April meeting. On motion by Director MACMILLAN, second by Director BOWMAN-FRIEND and unanimously approved the Board ratified the actions of the finance committee in paying the March bills.

2. WATER CONDITIONS

Current water conditions were reviewed. The declaration for the Friant division remains at 100% Class 1 and 10% Class 2. The District is currently running uncontrolled season water that resulted from the April and May rains. Those same rains increased the San Joaquin River April-July forecast by approximately 30%. As a result, additional water will be made available to the District in April, May and June.

The Board then spent considerable time reviewing a variety of water supply issues including the potential summer run. With the uncertainty surrounding uncontrolled season releases from Friant a finalized summer irrigation run was not available. It was speculated that the District would have enough water for a continuous run from the beginning of May to approximately mid August.

The Board spent considerable time reviewing the 2003 summer water rate and again reviewed the 2003 water cash accounting. After thorough review and discussion on motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board set the 2003 summer water rate at \$35 per acre foot. Subject to change by further Board action. It was noted for the record that at a water rate of \$35 an acre-foot the District will have to borrow approximately \$400,000 from reserves to offset the water costs for 2003.

The Board also reviewed the Poplar allocation for 2003. Given the increase in Tule River water supply in April and May, on motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the Board set the Poplar allocation at the full allocation of 55 acre feet per share.

General Manager VINK reviewed with the Board a variety of other water related issues including:

- Letters from Madera Irrigation District to the Bureau of Reclamation objecting the Bureaus management of uncontrolled season operations.
- Various transfers and banking programs for 2003 and;
- Cross-Valley deliveries for 2003.

District staff updated the Board on implementation of the water accounting program. The Pixley Irrigation District has agreed to purchase the water accounting program in exchange for entering into a cost sharing agreement with Lower Tule River Irrigation District for the use of Lower Tule's computer systems. On motion by Director FERNANDES, second by Director MACMILLAN and unanimously approved the Board directed staff to prepare a modification to the MOU between the Districts that will allow for the cost sharing of the computer systems.

3. DISTRICT OPERATIONS

O&M Superintendent BATTLES reviewed a variety of construction and maintenance activities with the Board including spraying and ditch maintenance. General Manager VINK reviewed a variety of personnel activities including the hiring of a new water systems operator, a review of the alternate workweek schedule and the nomination of Controller LIMAS to the Treasury Oversight Committee for the County of Tulare.

General Manager VINK presented for review Resolution 2003-5-1 establishing the fall election date for the election of Directors. On motion by Director BOWMAN-FRIEND, second by Director SIMONICH and unanimously approved the Board adopted Resolution 2003-5-1 establishing the County election date of the 4th of November 2003 as the Districts election date of Directors. A copy of Resolution 2003-5-1 is attached as **Exhibit "A"**.

General Manager VINK provided a recommendation to resubmit the Districts application for Prop. 13 monies for the Westside inter-tie project. On motion by Director BOWMAN-FRIEND, second by Director MACMILLAN and unanimously approved the Board authorized resubmittal of the Prop. 13 grant application.

The Board spent considerable time reviewing a variety of District activities including:

- A review of the recent Landowner meeting
- A status report on AB450.
- A review of the 404 permitting process and a status report including letters that the District has received from the Army Corp on Engineers. The Corp

of Engineers has determined that the Tule River is jurisdictional for 404. That determination will be appealed and District staff will begin meeting with local representatives to review the matter in detail.

4. CROSS VALLEY CANAL

General Manager VINK briefed the Board on a variety of Cross Valley Canal activities.

5. TULE RIVER ASSOCIATION

The Board reviewed the April 16th 2003 meeting of the Tule River Association. Considerable time at that meeting was spent discussing various Tule River operations and Success Reservoir Enlargement activities. The minutes of the TRA Board of Directors have been distributed to the Board and are not repeated here.

General Manager VINK and Controller LIMAS updated the Board on the status of the partnership with KMS Energy, the Districts partner in the Power Plant. It appears that KMS is in bankruptcy and the District has been in contact with Citizens National Bank in Chicago in an effort to coordinate a potential buyout of the project.

The Board reviewed a variety of Success Reservoir Enlargement activities. General Manager VINK reported that the PCA and LPCA had begun circulating for signature and are expected to be executed within 60 to 90 days.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the April 17th special and the April 24th regular meeting of the FWUA Board of Directors. Considerable time at both those meetings were spent discussing Friant operations and in particular the General Manager position. At present Ron Jacobsma has been appointed interim General Manager. The minutes of the FWUA have been distributed to the Board and are not repeated here.

The District has received its April 1st call for funds for FWUA in the amount of \$42,520. On motion by Director MACMILLAN, second by Director SIMONICH and unanimously approved the Board authorized payment of the Friant 1st call for funds.

7. MISCELLANEOUS AUTHORITY/AGENCY

A. Mid-Valley Water Authority.

B. Deer Creek & Tule River Authority. The minutes of the DCTRA 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

General Manager VINK updated the Board on the recent ACWA/JPIA conference in Tahoe.

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. The District has received a request from the Family Farm Alliance for support of \$500 and 2003 dues request for the Chamber of Commerce in the amount of \$700. On motion by Director BOWMAN-FRIEND, second by Director FERNANDES and unanimously approved the Board authorized payment of the Family Farm Alliance support and the Chamber of Commerce dues.

There being no further business to be brought to the Boards attention the meeting was adjourned until the 21st of May 2003 at 9:00.

On the 21st of May at 9:00 a.m. the May regular meeting was reconvened. On motion by Director SIMONICH, second by Director BOWMAN-FRIEND and unanimously approved the agenda was approved as presented.

General Manager VINK and Controller LIMAS submitted a revised investment policy along with various analyses of portfolio options. The Board spent considerable time discussing the investment of the Districts monies including communications with Citizens Bank. The Board directed staff to prepare and analysis for review at the June regular meeting. Until that time the District monies will remain on deposit with Kaweah



National Bank and Citizens Business Bank. The Board also spent time reviewing the summer water run and various other District operational matters. No action was taken on either.

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

Respectfully Submitted,

Daniel G. Vink