

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 18th day of July 2006, at 9:00 am at the District office in Tipton, California. The meeting was called to order by President MACMILLAN. It was determined the following Directors were in attendance:

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| Director | Div. 2 | 2009 | JIM COSTA |
| Director | Div. 3 | 2007 | DONALD MACMILLAN |
| Director | Div. 4 | 2007 | GARY FERNANDES |
| Director | Div. 1 | 2009 | TONY SIMONICH |
| Director | Div. 5 | 2009 | JOHN ROELOFFS |

District Staff Present: DANIEL G. VINK – General Manager

MIKE BATTLES – O & M Superintendent

1. BOARD ADMINISTRATION

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

The minutes of the June 13th, 2006 regular meeting were reviewed. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the minutes of the June 13th, 2006 regular meeting were approved as presented and ordered placed on file.

The financial statements for the month of June 2006 were reviewed by General Manager VINK and on motion by Director FERNANDES, second by Director SIMONICH and unanimously approved, the financial statements for June 2006 were ordered placed on file.

The Board reviewed the actions of the Finance Committee in paying the May bills following the June meeting. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board ratified the actions of the Finance Committee in their payment of the May bills.

2. WATER RESOURCES

General Manager VINK reviewed a variety of water resources activities including the latest declaration from the Friant Division, which has been set at 100% Class 1 and 10% Class 2. The Class 2 water is to be scheduled after the 10th of July at which time uncontrolled season deliveries were terminated. Based on the current water available, the District will have a run through the month of September with some carryover water transferred into February.

The Board reviewed several ancillary water related activities including:

- A possible 2006 transfer to Angiola Water District as part of the payment for the Taylor Ditch purchase.
- The San Joaquin River water that was diverted into the Tule River Water is part of flood control operations in 2006 and;
- A letter from Table Mountain Rancheria asking the District to consider a water partnership program for up to 15,000 AF. The Board directed General Manager VINK to discuss the matter in more detail with District Counsel DAN DOOLEY and to develop a long-term strategy relative to long-term water management programs.

At approximately 10:00am the Poplar Ditch Board of Directors and interested shareholders entered the meeting to discuss with the Board the Poplar Ditch operations for 2006 reflecting in particular on the need for increased communication between the two entities. The Lower Tule River Irrigation District is responsible for the Poplar Ditch allocation and has had to make some decisions relative to the Poplar Ditch allocation and how it was to be impacted by the Success Reservoir Storage Restriction. The joint meeting concluded at approximately 10:30am with no action being taken, but with both parties agreeing to meet more regularly to improve communications.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of construction and maintenance activities including a presentation by O&M Superintendent BATTLES on the continued construction of the Westside Inter-tie, status reports on the Tule River Inter-tie and the Poplar Ditch relocation project.

O&M Superintendent BATTLES also reported on a loss of a tractor through an accident involving the watering of the District canals. There were no injuries to report and the District will be compensated by JPIA for the tractor.

Administrative Activities

The Board reviewed a variety of administrative activities including the status of the AG Discharge Monitoring Program and in particular focused on the District's participation in the program. After considerable discussion, including recommendations and opinions from General Manager VINK and District Counsel DAN DOOLEY, it was the consensus of the Board that the District phase out it's participation in the Ag Discharge Monitoring Program.

The District has also received a letter from Landowner FRANK BARCELLOS requesting that the District consider the sale of approximately 80 acres of the Toledo Basin to the BARCELLOS family dairy. The Board spent considerable time reviewing the matter and directed that General Manager VINK to respond to the BARCELLOS Family indicating that the offer was not consistent with the best interest of the District and the Boards fiduciary responsibility to the landowners.

General Manager VINK also reported that the District Web-site is in the final stages of being completed and should be available for BETA testing sometime in August.

At approximately 12:45pm President MACMILLAN convened the meeting into closed session to confer with Counsel with on pending litigation in accordance with Government code Section 54956.9A under the Brown Act. Upon coming out of closed session at, approximately 1:30pm, President MACMILLIAN stated that there was no reportable action taken during closed session.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley Canal activities including the Inter-tie construction, various PWRPA activities and long-term discussion with Kern County interest related to the Districts Cross Valley Canal capacity.

General Manager VINK reported that he negotiated an agreement for the duration of 2006, which would allow North Kern Water Storage District to have access to the FT-B capacity in the Cross Valley Canal. On motion by Director SIMONICH, second by Director ROELOFFS and unanimously approved the Board authorized execution of that agreement. The agreement will pay the FT-B group \$60,000.00 of which Lower Tule will be entitled to 50%.

6. TULE RIVER ASSOCIATION

The Board reviewed the June 21st meeting of the Tule River Association. Considerable time at that meeting was spent discussing the Dam Safety Program, the AG Discharge Program and various Tule River issues.

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

Success Power Project

Nothing new to report.

Success Reservoir Enlargement

Nothing new to report.

DSAP Program

Nothing new to report

7. FRIANT WATER USERS' AUTHORITY

The Board reviewed the June 22nd, 2006 meeting of the Friant Water Users Authority. The minutes of the FWUA Board of Directors have been distributed to the Board and are not repeated here.

8. The Friant Water Authority

The Board reviewed the June 22nd, 2006 meeting of the Friant Water Authority. The minutes of the FWA Board of Directors have been distributed to the Board and are not repeated here.

9. MISCELLANEOUS AUTHORITY/AGENCY

DCTRA

General Manager VINK noted that the DCTRA meeting will be held on the 22nd of July, at which time it is anticipated that the Deer Creek Tule River Authority will adopt it's updated groundwater management plan.

Mid-Valley Water Authority.

Nothing new to report

a. Deer Creek & Tule River Authority.

Nothing new to report

10. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

11. MEETINGS, HEARINGS & NOTICES

Nothing new to report.

12. 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 California Chamber of Commerce for 2006-2007 dues in the amount of \$800.00. On motion by Director ROELOFFS,

second by Director FERNANDES and unanimously approved the Board authorized payment of the Chamber of Commerce dues.

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

Respectfully Submitted,

Daniel G. Vink