

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 10th day of October 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:

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
ERIC LIMAS - Controller

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 September 12th, 2006 regular meeting were distributed for review. On motion by Director SIMONICH, second by Director COSTA and unanimously approved with one minor correction, the September 12th, 2006 minutes were accepted and ordered placed on file.

The financial statements for the month of September 2006 were reviewed. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved, the financial statements for the month of September 2006 were accepted and ordered placed on file.

General Manager VINK and Controller LIMAS presented for consideration signature cards for the District's line of credit with VALLEY BUSINESS BANK. The line of credit and the deposit with VALLEY BUSINESS BANK were per action at the September meeting. On motion by Director FERNANDES, second by Director

ROELOFFS and unanimously approved the Board authorized opening of the accounts and necessary signatures accordingly.

The Board reviewed the actions of the Finance Committee in paying the August bills following the September meeting. On motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board ratified the actions of Director SIMONICH and Director ROELOFFS in reviewing the August bills following the September meeting.

2. WATER RESOURCES

General Manager VINK reviewed a variety of water resources activities including a 2006 end of year water delivery recap. For water year 2006 the District took delivery of a total of 163,000 AF of Friant - Kern water and 116,000 AF of Tule River water for a total delivery into the District of 280,000 AF. Of that, 153,000 AF was sold to users and 126,000 AF was recharged either through direct recharge or channel loss.

Controller LIMAS reviewed with the Board the District's 2007 draft water rates. The present water rates, as published by the Bureau of Reclamation, will increase the District water rates by approximately \$2.00 to \$3.00 per AF.

General Manager VINK reported on discussions with the Bureau of Reclamation relative to the non-project water exchanges.

The Board turned its attention to the Districts long-term repayment of the District's CVP capital obligation. Controller LIMAS reviewed with the Board a spreadsheet showing the Districts current repayment status and repayment amounts for the 2005 water year. After thorough review and discussion on motion, by Director SIMONICH, second by Director FERNANDES and unanimously approved, the Board set aside \$350,000.00 from the current general fund into the long-term capital repayment fund. A copy of the fund data is attached as **Exhibit "A"**.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of construction and operations activities including an update from O&M Superintendent BATTLES on the Westside Inter-tie and the now resumed construction at the Ave. 160 crossing. It is anticipated that District crews and

equipment will be working on the Westside Inter-tie for the balance of 2006 and into 2007.

General Manager VINK also reported that the District has submitted a supplemental Prop 13 Grant application to cover increased cost on the Westside Inter-tie project.

The Board turned its attention to the Poplar Ditch Relocation project and the bids submitted for the Phase I portion of the project. Based on recommendations from staff and from consultants, on motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board awarded the construction contract to EMMET EXCAVATION in the amount of \$908,000.00. The cost for the relocation project will be reimbursed by CAL TRANS, as per previous agreements between the District and CAL TRANS.

Personnel Activities

The Board reviewed briefly some personnel activities including the District's organizational structure and long-term payroll issues. General Manager VINK committed to providing further direction relative to changes prior to the end of the year.

Administrative Activities

The Board reviewed a variety of administrative activities including:

- The NRDC v. ROGERS's litigation and the upcoming settlement conference with the judges, whence it is anticipated that the judge will approve the settlement.
- General Manager VINK reported on his recent trip to Washington D.C, wherein he spent some time working with the negotiators on the final piece of legislation as well of making the rounds on Capitol Hill, answering questions and providing updates to various legislators and staff members relative to the settlement process.
- General Manager VINK also updated the Board on the processing of the Districts 1602 permit with fish and game. The processing of that permit has now begun as anticipated it will be completed within a 12-month period.

The Board then spent considerable time reviewing the 2007 budget as prepared by staff. Included in the preparation of the budget was a cash flow and a year-end estimated balance statement along with an income statement for 2007. After thorough review and discussion, on motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board Adopted the 2007 budget and ordered it placed on file. A copy of the 2007 budget is attached as **Exhibit "B"**.

4. CROSS VALLEY CANAL

The Board reviewed variety of Cross Valley Canal activities including recent discussions on the Inter-tie construction and the expansion process.

Controller LIMAS also updated the Board on the PWRPA activities.

5. TULE RIVER ASSOCIATION

The Board received an update on the September 20th meeting of the Tule River Association Board of Directors. 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

General Manager VINK updated the Board on the status of the Dam Safety project including the 2007-2008 funding along with the anticipated trip to Washington D.C in November of this year.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the September 28th, 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.

The District has also received a call for funds from the Friant Water Users' Authority in the amount of \$32,996.00. On motion by Director ROELOFFS, second by

Director FERANDES and unanimously approved, the Board authorized payment of the call for funds in the amount of \$32,996.00.

7. The Friant Water Authority

The Board reviewed the September 28th, 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.

The District has received a call for funds from the Friant Water Authority in the amount of \$26,536.00. On motion by Director COSTA, second by Director SIMONICH and unanimously approved the Board authorized payment from the Friant Water Authority call for funds.

8. MISCELLANEOUS AUTHORITY/AGENCY

Deer Creek & Tule River Authority.

Nothing new to report.

Mid-Valley Water Authority.

Nothing new to report

9. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

10. MEETINGS, HEARINGS & NOTICES

Nothing new to report.

11. MISCELLANEOUS MATTERS

- A. Association of California Water Agencies
- B. Central Valley Project Water Association
- C. California Water Resources Association

Approved

- 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 Boards attention the meeting was adjourned.

Respectfully Submitted,

Daniel G. Vink