

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 12th day of September 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 - ABSENT
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 COSTA, second by Director SIMONICH and unanimously approved, the agenda was approved as presented.

The minutes of the August 8th, 2006 regular meeting were distributed for review. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the August 8th, 2006 minutes were accepted and ordered placed on file.

The financial statements for the month of August 2006 were reviewed. Included in the financial statements was an update on the 2007 health insurance rates, which are expected to be considerably higher than the 2006 rates. On motion by Director SIMONICH, second by Director COSTA and unanimously approved, the financial statements for the month of August 2006 were accepted and ordered placed on file.

General Manager VINK and Controller LIMAS then presented to the Board a proposal from VALLEY BUSINESS BANK wherein the District would establish a line of credit for equipment purchases with VALLEY BUSINESS BANK in exchange for depositing money in VALLEY BUSINESS BANK accounts. The interest rate on the

deposits would exceed the current LAIF rate and the line of credit would allow the District to purchase equipment for financing pursuant to Board policy and approval. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved, the Board authorized execution of the necessary paperwork to open the line of credit and deposit of the funds.

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

2. WATER RESOURCES

The Board reviewed a variety of water resources activities. General Manager VINK informed the Board that the Friant declaration is at 100% Class 1 and 10% Class 2. That declaration is not likely to change.

The Board was briefed on a variety of other water supply activities including discussions with legal counsel DAN DOOLEY regarding long-term transfers.

The District has received a Letter of Agreement from the Bureau of Reclamation to begin processing the transfer to FRIANT RANCH. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved, the Board authorized execution of the letter of agreement with the Bureau of Reclamation. A attached is Resolution 2006-9-1 as **Exhibit "A"**.

3. DISTRICT OPERATIONS

Construction and Operation activities

O&M Superintendent BATTLES reviewed a variety of construction and operations activities with the Board. Primary activities are focused on the Poplar Ditch Relocation Project. It is anticipated that the construction contract will be awarded at the October meeting.

The Board spent considerable time discussing various personnel issues including organizational structure and long-term payroll issues. It was the consensus of the Board to do a more comprehensive look at the Districts payroll and compensation structure. Staff will begin that analysis and report back at a subsequent meeting.

Administrative Activities

The Board reviewed a variety of administrative activities including:

- A recent meeting held with Congressman NUNES to review the San Joaquin River settlement agreement.
- The Ag Discharge program and;
- The need for long range planning relative to future District activities and in particular water supply planning.

At 10:am President MACMILLAN convened the Board as a Board of Equalization hearing pursuant to the California Water Code. The purpose of the Board of Equalization met to determine the assessed values and to set the assessment rate for the fiscal year 2007. No one was present to discuss their assessed values. On motion by Director SIMONICH, second by Director COSTA and unanimously approved, the Board adopted Resolution 2006-9-1, accepting the assessed values as prepared by the assessor and setting the assessment rate at .08% of the value of the lands within the District. Attached is a copy of Resolution 2006-9-2 as **Exhibit "B"**.

4. CROSS VALLEY CANAL

Controller LIMAS updated the Board on a variety of PWRPA activities including the public purpose programs and the potential monies that can be available to the District landowners for energy conservation programs.

5. TULE RIVER ASSOCIATION

The Board reviewed the August 16th 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 reviewed a number of Dam Safety Activities including a recent public hearing in the 2007-2008 funding. It is anticipated that Congressman NUNES will be holding a meeting in Washington D.C on November 15th, 2006 wherein the Corp of Engineers would brief the relevant parties. The District will have representatives at that meeting.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the August 24th, 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 \$21,500.00. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved, the Board authorized payment of the call for funds.

7. The Friant Water Authority

The Board reviewed the August 24th, 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.

8. MISCELLANEOUS AUTHORITY/AGENCY

Deer Creek & Tule River Authority.

The Board reviewed the September meeting of the Deer Creek Tule River Authority. The minutes of the DCTRA Board of Directors have been distributed to the Board and are not repeated here.

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
- 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 dues request from the Tulare Chamber of Commerce in the amount \$150.00. On motion by Director COSTA, second by Director SIMONICH and unanimously approved the Board authorized payment to the Tulare Chamber of Commerce.

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

Respectfully Submitted,

Daniel G. Vink