

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 14th day of August 2007, 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 – Operations Manager
ERIC LIMAS – Business Manager

1. BOARD ADMINISTRATION

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

The minutes of the 10th regular meeting and the July 27th special meeting were mailed for review. On motion by Director COSTA, second by Director SIMONICH and unanimously approved the minutes of the July 10th Regular and July 27th Special meeting were accepted and ordered placed on file.

The Board reviewed the Financial Statements for the month of July 2007. Included in the Financial Statements was a projection of health insurance rates for 2008. Business Manager LIMAS reported a 6% to 10% increase on health insurance rates for the District. On motion by Director SIMONICH, second by Director COSTA and unanimously approved the financial information and statements were accepted and ordered placed on file.

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

2. WATER RESOURCES

The Board received an update from General Manager VINK on:

- The 2007 water run
- 2007 Cross Valley water deliveries,
- Integrated resource planning efforts on going with Tulare Lake Basin,
- City of Porterville Urban Water Management Plan,
- Cross Valley Canal 2006 O&M deficit & some accounting anomalies in the Bureau system
- Recent fish kill at Lake Success

The Board turned its attention to the 2007 return water to Orange Cove Irrigation District. The District returned 2000 AF to Orange Cove ID in 2007 as part of a prior year banking program. Orange Cove has offered to re bank that water with Lower Tule. The re-banking option is a result of the recent increase in the Class I declaration. The Board then spent considerable time reviewing the matter and concluded that it would be best to re bank the water from Orange Cove with the idea selling that water to Pixley ID for groundwater enhancement within the region. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the Board authorized General Manager VINK to execute a letter accepting the return of the water from Orange Cove Irrigation District.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of construction and maintenance activities including updates on the Poplar Ditch relocation project and the Tule River Inter-tie Canal. General Manager VINK reported that Provost & Pritchard has prepared a cost estimate to continue work on the Intertie for the next 60 to 90 days. Those cost estimates are consisted with what was approved at the July meeting.

Approved

Operations BATTLES & Business Manager LIMAS presented to the Board and update on the purchase of equipment under the Air Board grant award. LIMAS then presented a financing package from Valley Business Bank and from LaSalle National Bank. The Board spent considerable time reviewing the various options. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board accepted the financing package from Valley Business Bank and authorized execution of related documents. A copy of the details of the financing package are attached as **Exhibit "A"**.

Personnel

At approximately 10:15am President MacMillan convened the meeting into executive closed session to discuss the TERRY MOSS litigation. Upon coming out of closed session it was reported that no action was taken.

Administrative Activities

General Manager VINK updated the Board on recent discussions on the San Joaquin River Settlement. No action was taken.

The District reviewed a letter from Central California Power to purchase District owned property. Given the current state of affairs and the need for maximizing existing groundwater recharge basins, the Board directed that staff prepare a letter indicating that the District would not be interested in selling any District owned property at this time.

The District has received a premium from Joint Powers Insurance Authority in the amount of \$ 39,588.00. This is a planned budget expenditure. On motion by Director COSTA, second by Director FERNANDES and unanimously approved the Board authorized renewal of the liability premium and the payment of the invoice.

The District has received a bid from the document imaging software company Sentry File in the amount of \$9000.00 for software imaging. The software imaging will expedite the Districts filing and scanning services. This is a planned budget expenditure. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board authorized award of the contract.

4. CROSS VALLEY CANAL

The District has received a progress payment request in the amount of \$30,000.00 for the Inter-tie project. This is the Districts prorated share of the project

after grant monies are applied. On motion by Director FERNANDES, second by Director SIMONICH and unanimously approved the Board authorized payment of the \$30,000.00.

5. TULE RIVER ASSOCIATION

The Board reviewed a variety of activities including the July 18th meeting and various activities associated with the Success Reservoir Enlargement and dam safety project. No action was taken. 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.

Dam Safety Project

General Manager VINK reviewed with the Board a number of Success Reservoir Enlargement and Dam Safety project activities. No action was taken

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the July 26th meeting of the Friant Water Users Board. At that meeting a Special Call for funds was authorized for \$1,000,000 in order to participate in the outreach associated with some significant water infrastructure construction and bond funding for various conveyance and storage projects throughout the state. On motion by Director ROELOFFS, second by Director FERNANDES and unanimously approved the Board ratified the actions of the Friant Water User's Authority representatives and authorized payment of the Districts share of the \$1,000,000 in the amount of \$86,029.00.

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

7. FRIANT WATER AUTHORITY

The Board reviewed the July 26th meeting of the Friant Water Users Board. 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 DCTRA had its bi-monthly meeting on the 20th of July. 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 Farm Alliance
- J. California Farm Bureau

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

Respectfully Submitted,

Daniel G. Vink