

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 9th day of January 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 - (9:30am)

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 December 12th, 2006 regular meeting were distributed prior to the meeting. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved the Board accepted the minutes of the December 12th regular meeting and ordered them placed on file.

The Board reviewed the financial statements for the month of December 2006. Included in the review of the financial statements was an update on the assessment receivables for the first installment of 2007. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved, the Board accepted the financial statements for the month of December 2006 and ordered them placed on file.

Business Manager LIMAS presented an INVESTMENT POLICY and GUIDELINES update. After thorough review and discussion, on motion by Director SIMONICH, second by Director ROELOFFS and unanimously approved the Board

accepted the modifications as purposed by staff and ordered them incorporated into the INVESTMENT POLICY and GUIDELINES.

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

2. WATER RESOURCES

The Board reviewed a variety of water resources activities including the current declaration and water supply update for the Friant Division. It has been very dry with considerably below normal precipitation for the first part of 2007.

The Board considered a number of water supply issues including a transfer in 2005 from the Delano-Earlimart Irrigation District. It was anticipated that transfer would be for banking purposes but the Bureau of Reclamation has not approved the banking component of the transfer. As such the District has been contacted by Delano-Earimart for either payment of the water or reconsideration of other banking terms. After some discussion it was the consensus of the District to pay for the 2005 water from Delano-Earimart instead of trying to purpose an alternate banking program.

The District has received an amendment to its long-term Friant contract to incorporate the recently agreed to settlement agreement on the San Joaquin. On motion by Director SIMONICH, second by Director COSTA and unanimously approved the Board adopted Resolution 2007-1-1 authorizing amendment to the Friant contract. Attached is a copy of Resolution 2007-1-1 as **Exhibit "A"**.

The Board spent considerable time reviewing a policy related to water delivery on rented property. The policy would pertain only to deliveries to rented lands by users who do not own land within the District. After thorough review and discussion, on motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved, considering specifically the financial liability the District incurs when delivering water to rented land, the Board adopted a policy for water deliveries for rented land. The policy incorporates a formula of the acres rented times the factor of one times the published water rate as a required deposit prior to deliveries to rented lands. A copy of the policy is attached as **Exhibit "B"**.

General Manager VINK also reported that some minor flood releases had begun from Success Reservoir. In spite of the dry conditions the Reservoir remains restricted

and even the nominal runoff to date has encroached into flood space in the Reservoir. It is anticipated the release will last through the balance of the month.

3. DISTRICT OPERATIONS

Construction and Operation activities

Operations Manager BATTLES reviewed a variety of construction and maintenance activities including construction on the Westside Inter-tie and the Poplar Relocation Project.

General Manager VINK also reported that a supplemental request for funding on the Prop 13 application for the Westside Intertie had been denied by the state.

The Board went into closed session to discuss various personnel matters. Upon coming out of closed session it was reported that two actions were taken:

1. To accept the purposed organizational structure as submitted by General Manager VINK
2. To make salary adjustment for Operations Manager BATTLES.

The Board then reviewed a budget amendment to reflect the payroll adjustments that were approved at the December meeting. On motion by Director FERNANDES, second by Director SIMONICH and unanimously approved the Board authorized adjustment of the budget to reflect the payroll adjustments.

The Board spent considerable time discussing the NRDC v ROGERS case and the settlement implementation. No action was taken.

Administrative Activities

General Manager VINK reported that a meeting has been set up for January 30th to meet with Porterville Irrigation District and Poplar Ditch Company regarding the Tule River Inter-tie. Directors are encouraged to attend that meeting.

The District has also received its State Water Resources Control Board fees charge in the amount of \$134,000.00. One hundred thirty-four thousand dollars is inclusive of fees on the Friant contract, Cross Valley contract and Success Power Project. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board authorized payment under protest and directed staff to petition the State Board for reconsideration of the fees. There is an ongoing lawsuit with the State Supreme Court over the fees. The District is represented in the lawsuit through the Central Valley Project Water Users Association

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley Canal activities including the proposed Cross Valley Canal expansion agreement that was distributed for review along with the cash flow for the expansion and the Inter-tie project. On motion by Director COSTA, second by Director SIMONICH and unanimously approved the Board authorized execution of the expansion agreement.

5. TULE RIVER ASSOCIATION

The Board reviewed the December 20th meeting of the Tule River Association Board. Considerable time at that meeting was spent discussing Tule River operations along with Success Reservoir Enlargement activities.

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

Success Power Project

The Board reviewed the 2007 budget and 2006 Revenue distribution as purposed by staff. On motion by Director SIMONICH, second by Director ROELOFFS and unanimously approved the Board adopted the 2007 budget and approved the 2006 Revenue distribution. A copy of the 2007 budget and the 2006 Revenue distribution is attached as **Exhibit "C"**. It is anticipated that the District will receive approximately \$164,000.00 on the 2006 Revenue distribution.

Dam Safety Project

General Manager VINK reported on several issues related to the Dam Safety Project including local meetings and the 2007 funding.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the Friant Water Users Authority December 15th meeting. The minutes of the FWUA Board of Directors have been distributed to the Board and are not repeated here. The District has received a call for funds from Friant Water Users Authority in the amount of \$32,996.00. On motion by Director SIMONICH, second by Director COSTA and unanimously approved the Board authorized payment of the call for funds to the Friant Water Users Authority.

7. The Friant Water Authority

The Board reviewed the Friant Water Authority December 15th meeting. The minutes of the FWUA 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 will be having it's meeting on January 26th. Director FERNANDES will attend to represent the District.

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-

Approved

- I. Family Water 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