

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 13th day of March 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 – 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 February 13th, 2007 regular meeting were distributed prior to the meeting. On motion by Director ROELOFFS, second by Director SIMONICH and unanimously approved the Board accepted the minutes of the February 13th 2007 regular meeting and ordered them placed on file.

The Board reviewed the financial statements for the month of February 2007. On motion by Director SIMONICH, second by Director COSTA and unanimously approved, the Board accepted the financial statements for the month of February 2007 and ordered them placed on file.

VINK & LIMAS presented a proposed adjustment to the District's reserve accounts. The adjustment would authorize the deposit of the maximum amounts allowed for under the Reserve Policy as approved by the Board. On motion by Director

FERNANDES, second by Director SIMONICH and unanimously approved the Board authorized deposit into the reserve accounts up the maximum allowed for under Board Policy.

The Board reviewed the actions of the Finance Committee in paying the January bills following the February 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 January bills.

2. WATER RESOURCES

The Board reviewed a variety of water resources activities including the current declaration and water supply update from General Manager VINK. The present declaration from the Friant Division is 50% Class I. Fifty percent Class I would be an extremely dry year in which the District would have only a few weeks of summer water available. The Board discussed various options available to the District under a 50% water supply plan.

The Board spent considerable time discussing various water supply issues including:

- A discussion on full cost and excess delivery tracking. It was the consensus of the Board to modify the current methodology to eliminate blended rates and track deliveries as per actual usage. The District's new water accounting software allows for ease of tracking that was not available in prior years.
- The 2007 Riparian meeting and the request from the Riparianist to re-regulate the Riparian run for summer delivery.
- 2007 CVC deliveries.
- Discussions with Table Mountain representatives and Tulare ID relative to possible joint projects for the Districts to create a water supply for Table Mountain.
- Meetings with the City of Porterville to work collectively on water supply issues including the development of the City's Urban Water Management Plan.
- Meetings with Angiola representatives to review possible joint management programs with Angiola, Pixley ID and Lower Tule.

The Board then turned its attention to the 2007 water rates, as they had done at the February meeting. Considerable discussion ensued, considering the need for revenue collection versus the rolling five-year average that the District has been working with for rate stabilization. After thorough review and discussion, it was the consensus of the Board to delay implementation of the 2007 water rates until the April meeting, in light of the variable water supply at this point.

The Board reviewed the Poplar Ditch allocation for 2007. In light of the extremely dry year on the Tule River, on motion by Director SIMONICH, second by Director COSTA and unanimously approved, the Board set the preliminary Poplar allocation at 15 a/f per share.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of construction and maintenance activities including updates from Operations Manager BATTLES on the Westside Inter-tie and Poplar Relocation Project – Phase I and Phase II. BATTLES also reported on meetings with Quad Knopf to review cleanup issues on Phase I and issue avoidance matters on Phase II.

The Board spent considerable time discussing the Tule River Inter-tie canal. General Manager VINK reported on a scoping meeting that was held with Provost & Pritchard to review varying alignments as proposed by landowner BORBA.

Business Manager LIMAS reviewed with the Board an adjustment to the District's equipment use and rental rates. The adjustment was made to reflect changes in salaries and benefit costs to the District.

General Manager Vink reported that District staff (namely LIMAS and BATTLES) prepared a grant application to replace a significant portion of the District's off-road heavy equipment. The grant money is being made available by the Air Resources Control Board with cost sharing by the District of approximately 25% of the cost of the equipment. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved the Board ratified the actions of the staff in preparing and submitting the grant application.

The Board then spent time reviewing the NRDC v ROGERS litigation and the San Joaquin River settlement discussions including the net impact to the District and the potential need to do further modeling to get more accurate results.

Administrative Activities

General Manager VINK updated the Board on a variety of activities including:

- The recently released concept on the West-side (DMC) drainage solution.
- The recent SJR settlement hearing held in Washington DC.

The District has also received its annual property insurance renewal program with ACWA-JPIA in the amount of \$13,700. On motion by Director SIMONICH, second by Director FERNANDES and unanimously approved, the Board authorized renewal of the District's property insurance program.

At approximately 10:45am President MacMillan called the meeting into closed session to discuss Real Property negotiations. Upon coming out of closed session it was reported that General Manager Vink had been provided parameters for offering the property under discussion for sale.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley Canal activities including the Inter-tie and Cross Valley expansion project and deliveries of the Districts 2007 Cross Valley water. Under current declarations the District will deliver a portion of the water to Del Puerto under the 3-year agreement with Del Puerto and the balance of the water is projected to go to Westland's Water District.

5. TULE RIVER ASSOCIATION

The Board reviewed the February 21st meeting of the Tule River Association Board. The minutes of the Tule River Authority Board of Directors have been distributed to the Board and are not repeated here.

General Manager VINK updated the Board on the Success Reservoir Enlargement project and the projected need for 2008 funding. There was no money in the President's 2008 Budget for the SREP project and as a result, any money will have

to be obtained through a Congressional ad; a difficult process at this point. General Manager VINK has been working with JOE RAEDER and the congressional staff to request an addition \$250,000 for Fiscal Year 2008.

Success Power Project

Nothing new to report.

Dam Safety Project

General Manager VINK updated the Board on the Dam Safety Project and local meetings with the Corp of Engineers representatives.

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed various Friant Water Users Authority activities. There was no Friant Board meeting in February.

7. The Friant Water Authority

The Board reviewed various Friant Water authority activities. There was no Friant Board meeting in February.

8. MISCELLANEOUS AUTHORITY/AGENCY

Deer Creek & Tule River Authority.

The DCTRA Board will be meeting later in March.

Mid-Valley Water Authority.

Nothing new to report

9. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

10. MEETINGS, HEARINGS & NOTICES

General Manager VINK updated the Board on a variety of meetings including an ACWA Region 7 meeting to be held in Visalia in April and the Family Farm Alliance conference held in Las Vegas in February. VINK attended the FFA meeting to represent the District. Considerable time at that meeting was spent in discussions with federal BOR and DOI officials.

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.
- 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