

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 November 2009, at 9:00 am at the District office in Tipton, California. The meeting was called to order by President SIMONICH. It was determined the following Directors were in attendance:

Director	Div. 2	2009	JIM COSTA
Director	Div. 3	2011	TOM BARCELLOS - ABSENT
Director	Div. 4	2011	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 FERNANDES second by Director COSTA and unanimously approved, the agenda was approved as presented.

The minutes of the October 13th, 2009 Regular Meeting were distributed for review prior to the meeting. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved the Board accepted the October 13th, 2009 Regular Meeting minutes and ordered them placed on file.

The Board reviewed the Financial Statements for the month of October 2009. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved the Board accepted the Financial Statements for the month of October and ordered them placed on file.

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

The Board reviewed an analysis prepared by Business Manager LIMAS showing the District's share of capital repayment under the Federal Friant and the Cross Valley CVP contracts. In order to continue with the current amortization of the repayment, and insure that the capital repayment can be paid in full in 2030, staff is recommending an additional \$700,000.00 be set-aside in the restricted account for capital repayment allocation as per annual practice. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved, the Board directed that \$700,000.00 be set aside in the capital repayment restricted account.

The Board turned its attention to the Water Supply Improvement restricted account. The Water Supply Improvement restricted account is a result of different water management programs that the District has initiated over the years. The balance in the restricted water supply improvement account at the end of October was approximately \$313,000.00. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board concurred with staff recommendation to release the funds from the account for the construction of the Tule River Inter-tie Project. The purpose of the fund is more clearly delineated in the District's Reserve Policy.

Business Manager LIMAS reviewed with the Board the considerable projected increases to the District's audited financial statements in part a result of additional federal requirements, and in part as a result of the District's ARRA grant funding. After some discussion, the Board directed staff to prepare Requests for Proposal for circulation to various accounting firms in the area for proposals to prepare the 2010 District audit.

2. WATER RESOURCES

The Board reviewed a variety of water resources activities including the current water run. The water run held in November was relatively unplanned. It was available as a result of additional allocations made late in the year and some early fall rains. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously

approved, the Board ratified the current water rate of \$45.00 an acre foot to remain in affect until the spring run.

At approximately 10:30am the Board went into closed session with District Counsel ALEX PELTZER via conference call to discuss various items. Upon coming out of closed session it was reported that one action was taken. By unanimous vote, the Board authorized payment of the State Water Resources Control Board fees in the amount of \$96,892.00. The payment is to be made under protest.

General Manager VINK updated the Board on a number of operational issues including the revision to the operational guidelines between the District and the riparian and the Yokohl Valley water management program.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a number of construction and maintenance activities. General Manager VINK provided an update on the right of way acquisition for the Tule River Inter-tie canal project.

At approximately 11:00am the Board went into closed session with JIM KOONTZ via conference call to discuss a variety of property acquisition issues. Upon coming out of closed session it was reported no action was taken.

General Manager VINK reviewed a timeline for construction and the processing of the ARRA grants through the Bureau of Reclamation. General Manager VINK expressed significant frustration with the Bureau in trying to process the environmental documentation. The Bureau has under taken the process of extending the timeline for which the District can expend the money as a result of internal Reclamation issues associated with the environmental documentation.

Operations Manager BATTLES reviewed a variety of routine maintenance activities and also reviewed with the Board the ongoing aquatic milfoil weed problem at the Friant-Kern canal and the possibility of disruption to District activities as a result of the aquatic milfoil weed for problem.

Legal Matters

The Board received a brief update on the San Joaquin River Settlement activities and spent some time on the 9d conversion financing and potential changes to the assessment related thereto. No action was taken.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley canal activities including a report from Business Manager LIMAS on various PWRPA activities. District staff will be reviewing the PWRPA portfolio and providing recommendations to the Board at the December and January meeting on how to best maximize the use of the PWRPA power and minimize the District's exposure to cost fluctuations.

5. TULE RIVER ASSOCIATION

The Board reviewed the October 26th meeting of the Tule River Association. The minutes of the meeting have been distributed and as such are not repeated here.

Considerable time at those meetings have been spent discussing water master succession and the replacement of R.L SCHAFER with DAVID DEGROOT from Four Creeks Engineering and the Del Oro pumping issue.

6. SUCCESS POWER PROJECT

General Manager VINK presented for review the renewal for the District's Power Purchase agreement with Southern California Edison. The current Power Purchase agreement is scheduled to expire in December 2010. Edison is purposing a 120-day temporary renewal of the project pending the outcome of different hearings at the Public Utilities Commission. On motion by Director ROELOFFS, second by Director FERNANDES and unanimously approved, the Board authorized renewal of the Power Purchase agreement with Southern California Edison on the terms and conditions purposed by Southern California Edison.

7. FRIANT WATER USERS' AUTHORITY

The Board reviewed the minutes of the October 22nd regular meeting of the Friant Water Users Authority. The minutes of the meeting have been distributed and as such are not repeated here.

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9. MISCELLANEOUS AGENCIES/AUTHORITIES

Deer Creek & Tule River Authority.

Deer Creek and Tule River Authority will be holding its meeting on the 20th of November.

10. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

11. MEETINGS, HEARINGS & NOTICES

Nothing new to report.

12. MISCELLANEOUS MATTERS

A. Association of California Water Agencies – The District has received a call for funds from ACWA in the amount of \$9,251.00. On motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board authorized payment of the call for funds from ACWA. Membership in AWCA is a prerequisite for receiving insurance through the ACWA –JPIA.

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

K. California Special Districts Association

L. Ag Leadership

APPROVED

M. Tulare County Farm Bureau – The District has received a request from the Tulare County Farm Bureau for participation in the Farm Bureau scholarship program. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board authorized payment of \$500.00 for participation in the Farm Bureau scholarship program.

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

Respectfully Submitted,

Daniel G. Vink
General Manager