

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 8th day of September 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
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

Others Present: Alex Peltzer
Charlie Pitigliano

1. BOARD ADMINISTRATION

On motion by Director COSTA, second by Director BARCELLOS and unanimously approved, the agenda was approved as presented.

The minutes of the August 11th, 2009 Regular Meeting were distributed for review prior to the meeting. On motion by Director COSTA, second by Director BARCELLOS and unanimously approved the Board accepted the August 11th, 2009 Regular Meeting minutes and ordered them placed on file.

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

The Board reviewed the actions of the Finance Committee in the payment of the July bills following the August meeting. On motion by Director FERNANDES, second by Director COSTA and

unanimously approved the Board ratified the actions of the Finance Committee in the payment of the July bills following the August meeting.

The Board considered amendment to the District's 457 Deferred Compensation Plan to align with updated Federal requirements. After thorough discussion, on motion FERNANDES, second by Director BARCELLOS and unanimously approved the Board adopted Resolution 2009-9-2 amending the District's Deferred Compensation Plan. A copy is attached as **EXHIBIT "A"**.

At approximately 9:30am Landowner CHARLIE PITIGLIANO entered the meeting to discuss various water related items with the District. No action was taken.

2. WATER RESOURCES

General Manager VINK reviewed variety of water resources activities. The final declaration for the Friant Division remains at 100% Class I and 5% Class II.

General Manager VINK reported that irrigation deliveries to landowners terminated on or about the 18th of August.

General manager VINK reviewed a variety of other water related activities including:

- The distribution of the Riparian operational guidelines
- Upcoming meeting with the Riparianist and;
- YOKOHOL VALLEY water management program

The District has received a request from Landowner GA-ONE ASSOCIATES (Bachiter Gill) requesting an adjustment for the 2009 water year on his bill based on differentiations in the pump test. After considerable discussion, on motion by Director BARCELLOS, second by Director FERNANDES and unanimously approved, the Board denied the request for adjustment based on standard operating practices.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of District Operations activities including an update from General Manager VINK and Operation Manager BATTLES on the Tule River Inter-tie canal.

As previously reported an email to the Board, the District has received a funding award from the Bureau of Reclamation for 2009 ARRA Stimulus funding. The District will receive approximately \$2.1 million dollars from the Department of Interior, Bureau of Reclamation for funding of the Tule River Inter-tie canal. Work is beginning immediately on preparation on bid documents and plans. The funding is a 50% cost share with the largest portion of the District's contribution coming from in-kind construction work on the project.

Operations Manager BATTLE reviewed with the Board the bids associated with a purchase of a utility trailer for construction purposes. The need for the utility trailer has been accelerated as a result of the pending construction of the Inter-tie canal. This was an unplanned budget item, however there is money remaining in the District's equipment replacement budget for the purchase. On motion by Director FERENANDES, second by Director COSTA and unanimously approved the Board authorized up to \$8,000.00 for the purchase of a new utility trailer.

Legal Matters

At approximately 9:30am the meeting was adjourned into Executive session with Legal Counsel ALEX PELTZER entering the meeting to discuss pending or threatened litigation. Upon coming out of closed session at approximately 11:30am it was reported that no action was taken.

The Board spent considerable time reviewing various San Joaquin River Settlement activities with Legal counsel ALEX PELTZER in open session including a review of the contract status and the 9d financing associated with the conversion of the contracts.

The District has also received a request for the Bureau of Reclamation to designate negotiators for the conversion of the contract. On motion by Director COSTA, second by Director FERNANDES and unanimously approved the Board designated General Manager VINK, Legal Counsel ALEX PELTZER and KEN RICHARDSON as the Districts representatives.

The Board turned its attention to the current assessment structure and the ongoing discussion held as to the equity of the assessment structure, cost of financing under the Districts current cost recovery methodology, and the appropriateness of an increase in the District's current assessment rate. After considerable discussion considering all options and scenarios as presented over the course last several months, on motion by Director BARCELLOS, second by Director ROELOFFS with Director SIMONICH voting no, the Board directed staff to make the preliminary arrangements necessary for a Proposition 218 election to increase the District's assessment rate. Included in that action will be landowner meetings to be held later in the month of September. Final approval authorizing proceeding with an actual election would be made at a subsequent meeting if the Board determines a Proposition 218 election is in the best interest of the District.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley canal activities including an update from Business Manager LIMAS on various PWPRA activities. No action was taken.

5. TULE RIVER ASSOCIATION

The Board reviewed the August 19th meeting of the Tule River Association. An update was given on the conversion of the reservoir management software and the Watermasters succession process.

6. SUCCESS POWER PROJECT

General Manager VINK and Operation Manager BATTLES reported on a small fire at the Success Power Plant as a result from a bird shorting out a wire. The damage amount was approximately \$5,000 to \$10,000, which will be submitted to the ACWA-JPIA for reimbursement.

7. FRIANT WATER USERS' AUTHORITY

The Board reviewed the minutes of the August 27th 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 & Tule River Authority will be holding it's meeting on the 18th of September.

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
- 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

There being no further business to be brought to the Boards attention the meeting was adjourned at 12:00pm into the Board of Equalization hearing pursuant to the California Water Code.

The purpose of the meeting was to determine the assessed value and to set the assessment rate for fiscal year 2010. No landowners were present to discuss their valuations and no comments were received in writing. After thorough review and discussion, on motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board adopted Resolution 2009-9-1, setting the 2010 assessment rate. A copy is attached as **EXHIBIT "B"**. The Board of Equalization hearing was then closed and the regular Board meeting was resumed.

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

Respectfully Submitted,

Daniel G. Vink
General Manager