

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 August 2011 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:

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|----------|--------|------|----------------|
| Director | Div. 2 | 2013 | JIM COSTA |
| Director | Div. 3 | 2011 | TOM BARCELLOS |
| Director | Div. 4 | 2011 | GARY FERNANDES |
| Director | Div. 1 | 2013 | TONY SIMONICH |
| Director | Div. 5 | 2013 | JOHN ROELOFFS |

District Staff Present: DANIEL G. VINK – General Manager
MIKE BATTLES – Operations Manager
ERIC LIMAS – Business Manager

Others Present: ALEX PELTZER – District Counsel

1. BOARD ADMINISTRATION

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

The minutes of the June 14, 2011 Regular meeting were distributed for review. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved, the Board accepted the minutes and ordered them placed on file.

Miscellaneous Administration

The Board received a briefing from staff on the 2011-2012 health insurance premiums and options for stabilizing the rates the District. This was a continuation of an on-going discussion from prior Board meetings. After considerable review and discussion, on motion by Director BARCELLOS, second by Director ROELOFFS and unanimously approved the Board established the 2011-2012 health insurance premium co-pays by the District at the greater of the PERS Choice rate. This will apply to both current employees and retirees.

2. WATER RESOURCES

General Manager VINK reviewed with the Board a variety of water resources activities including the current water run. The Districts water run is projected to last through October 2011.

To date the District has purchased 48,886 acre-feet of RWA water from various sources. In addition General Manager VINK reported that he had purchased 10,000 a/f from Shafter/Wasco Irrigation District, 10,000 a/f from Orange Cove Irrigation District and 6,000 a/f from Saucelito Irrigation District at a price range from \$35.00-\$45.00 an acre foot.

The additional water with the early season RWA and uncontrolled season water will enable the District to continue its operation through October and possible have additional water available for recharge and/or pre-irrigation in February 2011.

General Manager VINK and Business Manager LIMAS also reported that the Districts water cash flow projections remain positive for the year, a matter of which the Board reviewed in some detail.

The Board turned its attention to the 2011 Water Budget and review of the water rate plan. The District's Water Budget is set later than the General Budget based on known water conditions. 2011 is later than normal given the late nature of the declarations. On motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board set the Water Budget for 2011 at \$7,721,500.00 and directed that the Water Budget be incorporated in the District's General Budget.

General Manager VINK reviewed a variety of water related activities including considerable efforts that have been done to research title on Riparian lands no longer adjacent to the river. After considerable discussion on how to deal with individual Riparian lands, the Board directed staff to develop protocols for identifying lands no longer Riparian or adjacent to the river. District staff and Counsel will develop these protocols through a memorandum for review at a subsequent meeting.

The Board then went into closed session to discuss Lower Tule / Pixley Irrigation Districts vs. Angiola Water District. After coming out of closed session it was reported that no reportable action was taken.

General Manager VINK also reported that progress has been made with Porterville Irrigation District on the terms of a new 10 -year water management program for Tule River water.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of operation and maintenance activities including an update from Operations Manager BATTLES on the Tule River Inter-tie canal and projected construction for the fall. The District is attempting to have the RRA grant funding extended through December of 2011 to allow for reimbursement on the construction of the remain concrete liners. That work was deferred as a result of the summer water run being extended into the fall.

General Manager VINK and Operations Manager BATTLES reviewed various equipment needs of the District. Discussion ensued but no action was taken.

Administrative Activities

The Board reviewed a variety of Administrative and Legal matters.

General Manager VINK provided an update on the Strategic Planning process and reported that the District's Strategic Plan has been finalized in draft form and was submitted to the Board for review. A final review of the Strategic Planning with will take place at the September or October 2011 meeting.

The Board also reviewed the Madera Ranch banking project groundbreaking and the White Ranch Duck Club.

The Financial Statements for the month of July 2011 were reviewed by the Board. On motion by Director BARCELLOS, second by Director ROELOFFS and unanimously approved, the Board accepted the Financial Statements and ordered them placed on file.

The Board reviewed the Actions of the Finance Committee in the payment of the July bills including the JPIA and auto and liability insurance. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board ratified the Actions of the Finance Committee in the payment of the bills and also confirmed the recommendation of staff to not renew the line of credit with VALLEY BUSINESS BANK.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley Canal and WAPA related activities. No action was taken.

Contract Renewal Negotiations

General Manager VINK provided a brief updated on the status of the contract renewal negotiations for Cross Valley contracts. Recent decisions from the Wanger Court related to the Biologic opinion may result in a further delay of execution of long-term contracts.

5. TULE RIVER ASSOCIATION

The Board reviewed the July 24, 2011 minutes of the meeting of the Tule River Association. The minutes of the meeting have been distributed and as such are not repeated here.

General Manager VINK updated the Board on the TRI-JPA Executive meeting. Considerable time at that meeting was spent discussing long-term Success Dam mitigation and a recent letter sent by District Counsel ALEX PELTZER to the CORP OF ENGINEERS requesting re-visitation of expenses related to the O&M in light of the restricted storage.

The Board also reviewed a letter received from the Department of Water Resources Control Board regarding the Weisenberger wells. The Lower Tule Board concluded that the matter should be considered closed and TRA not spend any additional resources on the matter.

General Manager VINK, Operations Manager BATTLES and Business Manager LIMAS briefed the Board on the Success Power Project and the frustrations being experienced with generator repairs and the possibly that the plant may be down for the balance of the season.

6. FRIANT WATER AUTHORITY

The Board reviewed the July 28, 2011 meeting of the Friant Water Authority.

The minutes of the meeting have been distributed and as such are not repeated here.

7. MISCELLANEOUS AGENCIES/AUTHORITIES

Deer Creek & Tule River Authority

The Board reviewed the July 15, 2011 meeting of the Deer Creek and Tule River Authority.

The minutes of the meeting have been distributed and as such are not repeated here.

8. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

9. MEETINGS, HEARINGS & NOTICES

Nothing new to report.

10. MISCELLANEOUS MATTERS

A. Association of California Water Agencies - ACWA / JPIA - ACWA Region 7, the District has received a recommended slate of officers for ACWA Region 7 Board. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board accepted the recommendations of the nominating committee for the slate

- 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
- M. Tulare County Farm Bureau

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

Respectfully Submitted,

Daniel G. Vink
General Manager