



Approved

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 14th day of December 2010, 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	2013	JIM COSTA
Director	Div. 3	2011	TOM BARCELLOS - (Left at 10:10am)
Director	Div. 4	2011	GARY FERNANDES - (Arrived at 10:20am)
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

Guests Present:

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 November 9th Regular meeting were distributed for review prior to the meeting. On motion by Director ROELOFFS, second by Director BARCELLOS and unanimously approved the minutes of November 9th Regular meeting were accepted and ordered placed on file.

The Board reviewed the recent Bond financing that has been completed by the District in conjunction with the 9d contract conversion. General Manager VINK and Business Manager LIMAS reported that the all in total cost of financing for the District 4.96% on 30 years bonds.

The Financial Statements for the month of November 2010 were reviewed by the Board. On motion by Director COSTA, 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 November bills following the December meeting. On motion by Director COSTA, second by Director

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ROELOFFS and unanimously approved the Board ratified the actions of the Finance Committee in the payment of the November bills.

The Board then reviewed the reorganization and appointments including the current slate of officers and appointments for the District. On motion by Director COSTA, second by Director BARCELLOS and unanimously approved the Board retained the current slate of officers and appointments for 2011.

2. WATER RESOURCES

General Manager VINK reviewed a variety of water resources activities including the Cross Valley canal exchange with Tule Lake Basin. It is anticipated that exchange will be completed by the end of December, which would entitle the District to approximately 7500 a/f of subsequent year Tule River water.

The Board also reviewed the recent completion of the financing with Pixley and Stone Corral Irrigation Districts, which will enable Pixley to receive 12,000 a/f of Stone Corral water in subsequent years. Lower Tule River Irrigation District may help facilitate that exchange in order to provide additional water to Pixley ID.

General Manager VINK reviewed the projected water supply for the winter time. The weather pattern may result in some minor flood releases later in the month given the time of the year, on motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board set the winter water rate for December and January at \$25.00 per a/f.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of construction activities including an update from Operations Manager Battles on the Tule River Inter-tie project. No action was taken.

The Board then reviewed a long-term equipment replacement plan as presented by General Manager VINK and Operations Manager BATTLES. The long-term equipment replacement plan modifies the 2011 budget and takes into consideration recent Air Board requirements. After thorough review and discussion, on motion by Director BARCELLOS, second by Director ROELOFFS and unanimously approved the Board accepted the long-term equipment replacement plan and authorized modification to the 2011 budget accordingly. Any future equipment purchases will be reviewed by the Board prior to the actual purchase.

The Board then reviewed the cost of living adjustment for 2011. After considerable discussion and review of the West wide and US cities average cost of living, which were both

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approximately 1.5%. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board authorized a cost of living adjustment for all non-exempt employees for 2011 in the amount of 1.5%.

General Manager VINK then requested a meeting with the Board President and Vice President of Lower Tule and Pixley to review exempt employee salaries for 2011. That meeting will be held prior to the January regular meeting.

The Board reviewed a variety of legal and contracting issues. General Manager VINK then presented a contract with APPLIED BEST PRACTICES, LLC to manage certain reporting aspects of the recent Bond financing. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved the Board authorized the contract with APPLIED BEST PRACTICES, LLC. A copy of the contracts are attached as **EXHIBIT "A"**.

The Board then turned its attention to the 2011 Reserve Policy. The Board considered recommended updates to the District Reserve Policy as prepared by staff. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board accepted the revised Reserve Policy and ordered it placed on file.

The Board also reviewed a revised Restricted Policy, on motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board accepted staff recommendations and ordered the revised Restricted Policy be placed on file.

The Board then reviewed the Investment Policy for 2011. There were no recommended changes to the current Investment Policy. On motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board accepted the Investment Policy for 2011 and ordered it be placed on file.

General Manager VINK then provided a brief update on some assessed acreage issues. No action was taken.

General Manager VINK also reported that he will begin working with management staff on the development of a strategic plan to be reviewed incrementally by the Board of Directors over the course of the next several months.

4. CROSS VALLEY CANAL

The Board reviewed a variety of Cross Valley activities including contract renewal negotiations and a revision to the WAPA agreement. No action was taken.

5. **TULE RIVER ASSOCIATION**

The Board reviewed the November 17, 2010 minutes of the meeting of the Tule River Association. The minutes of the meeting have been distributed and as such are not repeated here.

Success Power Project

General Manager VINK updated the Board on the Power Purchase agreement negotiations with Southern California Edison. It is expected that the process will be wrapped up in the first part of 2011.

The Board then reviewed a proposed 2011 operating budget for Success Power Project. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board adopted the 2011 proposed budget and requested it be forwarded to the other Success Power Project participants.

6. **FRIANT WATER AUTHORITY**

The Board reviewed the minutes of the December 10th regular 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 meeting of the November 10th Deer Creek and Tule River Authority. No action was taken.

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
- B. Central Valley Project Water Association
- C. California Water Resources Association
- D. National Water Resources Association
- E. California Chamber of Commerce

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- 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

At the close of the Districts regular December meeting, Director SIMONICH adjourned to a meeting of the Financing Corporation of the Lower Tule River Irrigation District. On motion by Director Costa, second by Director ROELOFFS and unanimously approved the Board confirmed its current slate of officers for 2011 for the Financing Corporation.

General Manager VINK then presented for review the September minutes of the Financing Corporation on motion by Director FERNANDES, second by Director COSTA and unanimously approved the Board adopted the September minutes of the Financing Corporation and set the December 2011 meeting of the Financing Corporation.

There being no further business to be brought to the Boards attention both meetings were adjourned.

Respectfully Submitted,

Daniel G. Vink
General Manager