

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 12th day of October 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
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

Guests in attendance : ALEX PELTZER – District Counsel
DOUG BROWN - Bond Counsel

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 September 14th Regular meeting were distributed for review along with the minutes of the September 24th Special Meeting, both prior to the meeting. On motion by Director FERNANDES, second by Director COSTA and unanimously approved the minutes of September 14th Regular and September 24th Special Meeting were accepted and ordered placed on file.

The Financial Statements for the month of September 2010 were reviewed. On motion by Director ROELOFFS, second by Director FERNANDES and unanimously approved the Board accepted the Financial Statements and ordered them placed on file.

Approved

The Board reviewed the actions of the Finance Committee in the payment of the August bills following the September meeting. After considerable discussion, on motion by Director BARCELLOS, second by Director FERNANDES and unanimously approved the Board ratified the actions of the Finance Committee in the payment of the August bills and authorized payment of the September bills pending review of the Finance Committee.

2. WATER RESOURCES

The Board reviewed a variety of water resources activities including a recap of the Districts 2010 water run. For 2010 water year to date the District has taken in 184,000 A/F of Friant water 75,000 A/F of Tule River water for a total of 260,000 A/F, of which 149,000 A/F were sold to growers and 110,000 A/F was recharged via channel recharge or basin recharge.

General Manager VINK updated the Board on an exchange of the District's balance of the 2010 Cross Valley water with the Tulare Lake Basin. That exchange has been approved by the Bureau of Reclamation and should take place this fall.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board received an update on the Tule River Inter-tie project from General Manager VINK and Operations Manager BATLLES. It was reported that the project is on schedule and slightly under budget. It was also reported that the District has received its permit for the Hwy 190 crossing and that the #2 crossing will be finished within the next two weeks. The project is on schedule to be completed by summer of 2011.

The Board then turned its attention to the 9d contract conversion and the 9d contract financing. The District welcomed in MICHAEL ENGELBRECT from WELLS FARGO via phone for discussion on the rating as well as Bond Counsel DOUG BROWN (in person).

In conjunction with District staff, Mr. ENGELBRECT and Mr. BROWN spent time reviewing the Districts rating, which was received from STANDARD & POOR along with the structure of the financing process. DOUG BROWN went through an extensive

Approved

outline of how the process will flow. After considerable review and discussion, on motion by director FERNANDES, second by Director COSTA and unanimously approved, the Board adopted Resolution 2010-10-1. A copy of Resolution 2010-10-1 is attached as **EXHIBIT “A”**.

At that point the Board recessed the Regular meeting for a meeting of the Financing Corporation. Upon coming out of the meeting of the Financing Corporation the Board resumed its Regular meeting.

General Manager VINK and Mr. ENGELBRECHT then presented to the Board the structuring changes to the District’s credit documents for STANDARD & POOR, which included direct deposit of the District’s recently passed assessment increased to the trustee for direct payment. It is believed that the structuring changes could enable the District to receive a better credit rating from STANDARD & POOR. On motion by Director BARCELLOS, second by Director ROELOFFS and unanimously approved the Board authorized the outlined structuring changes.

The meeting was then convened into Executive Session with District Counsel ALEX PELTZER to discuss a number of legal matters. Upon coming out of Executive Session it was reported no action was taken.

The Board then spent considerable time reviewing the 2011 General District budget and the 2011 Operations and Maintenance budget. The budgets were submitted by staff prior to the meeting. On motion by Director ROELOFFS, second by Director BARCELLOS and unanimously approved the Board accepted the budgets and ordered them implemented and placed on file.

4. CROSS VALLEY CANAL

General Manager VINK and Business Manager LIMAS reviewed a variety of WAPA related issues with the Board. No action was taken.

5. TULE RIVER ASSOCIATION

The Board reviewed the September 15, 2010 minutes of a meeting of the Tule River Association along with meetings held with Colonel LEADY of the Sacramento Division in the early part of the month.

Approved

Director SIMONICH presented an issue for Board consideration relative to the accounting of flood releases on the Tule River system. After considerable discussion and review, on motion by Director BARCELLOS, second by Director ROELOFFS with Director COSTA and Director SIMONICH voting no, the Board took action to support the current methodology of water accounting including the flood release operations, and the flood release accounting on the Tule River.

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

6. FRIANT WATER USERS' AUTHORITY

The Board reviewed the minutes of the September 23rd regular meeting of the Friant Water Users Authority. It was the last meeting of the Friant Water Users Authority scheduled for the immediate future.

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

7. FRIANT WATER AUTHORITY

The Board reviewed the minutes of the September 23rd regular meeting of the Friant Water Authority. The minutes of the meeting have been distributed and as such are not repeated here.

Director BARCELLOS reviewed with the Board his trip to Washington D.C with the Friant Water Authority for lobbying issues related to the San Joaquin River.

The District has received a call for funds in the amount of \$40,632.00. On motion by Director COSTA, second by Director ROELOFFS and unanimously approved the Board authorized payment of the call for funds in the amount of \$40,632.00.

8. MISCELLANEOUS AGENCIES/AUTHORITIES

Deer Creek & Tule River Authority.

The Deer Creek and Tule River Authority will be holding its meeting on the 19th day of November 2010.

9. U.S DEPARTMENT OF THE INTERIOR

Nothing new to report.

10. MEETINGS, HEARINGS & NOTICES

Nothing new to report.

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 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 the meeting was adjourned.

Respectfully Submitted,

Daniel G. Vink
General Manager