

**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 February 2012 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	2015	TOM BARCELLOS
Director	Div. 4	2015	GARY FERNANDES - ABSENT
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
STEVE OTTEMOELLER, FWA Water Resources Manager

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 January 10, 2012 Regular meeting were distributed for review. On motion by Director BARCELLOS, second by Director COSTA and unanimously approved, the Board accepted the minutes of the January 1th regular meeting and ordered them placed on file.

2. WATER RESOURCES

The Board reviewed a variety of water resources activities including a preliminary forecast from the Friant Division. The official forecast will not be made until later in the month of February; However the Bureau is anticipating a declaration of no more than 50% Class One. Given the dry nature of the year, it is very likely that this declaration will hold and may in fact decrease.

General Manager VINK reviewed with the Board the total of 2011 recirculation water made available as a result of the water released to the San Joaquin Restoration program on the Districts

behalf. In total, 2,620 a/f was returned directly in 2011 during the water summer run and 2,450 a/f was sold on the Westside to a combination of Westside CVP Districts. That water was sold to facilitate and show use of the water. The District had limited need for additional water in the fall of 2011. In addition, Lower Tule facilitated the exchange of 2,737 a/f for other Friant Districts.

General Manager VINK further reported that approximately 61,000 a/f will be returned in 2012 from recirculation water run in January and February of 2012. This is from water offered to all the Friant contractors in January of 2012. Lower Tule was the only one to put a proposal and offer into Reclamation and as such was given the entire 4,600 acre-feet. The water will be exchanged into Millerton for Lower Tule using both the Tulare Lake Basin and Fresno Irrigation District. It will cost Lower Tule approximately \$60 per a/f to be able to access the water in Millerton.

General Manager VINK reported on an agreement with Porterville Irrigation District relative to the use of the Tule River water between the two Districts. Action on that agreement was deferred to a subsequent meeting due to some last minute changes requested by Porterville.

General Manager Vink then briefly discussed with the Board various water management programs with the Downstream Association and opportunities to partner on water supply for the Yokohl project. The Board took no action.

At approximately 9:15a.m the Board received a briefing on the Delta issues from Friant Water Authority Water Resources Manager STEVE OTTEMOELLER. MR. OTTEMOELLER briefed the Board on a variety of Delta related activities including conveyance improvements and larger picture issues related to Delta activities and their impact on the Southern San Joaquin Valley and Friant in particular.

At approximately 10:00a.m District Counsel ALEX PELTZER entered the meeting and the Board convened to Executive Session to discuss threatening or pending litigation. Director ROELOFFS recused himself from the meeting for possible conflict of interest purposes. Upon coming out of Executive Session it was reported that no action was taken.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of Operation and Maintenance activities including an update on the ongoing construction of the upper portion of the Tule River Inter-tie canal. It is anticipated that the construction work on that project will be done in the spring of 2012. That would close out all Grant related activities with the project.

The Board briefly discussed the San Joaquin River settlement and activities related there too. No action was taken.

Administrative Activities

The Board reviewed the Financial Statements for the month of January 2012, on motion by Director ROELOFFS, second by Director COSTA 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 January bills and on motion by Director BARCELLOS, second by Director COSTA and unanimously approved, the Board ratified the actions of the Finance Committee in the payment of the January bills.

Business Manager LIMAS then presented an audit engagement letter for 2011 as prepared by Auditors ADAIR, EVANS & WHITE. On motion by Director BARCELLOS, second by Director ROELOFFS and unanimously approved the Board authorized execution of the audit engagement letter. The audit for 2011 is expected to cost \$26,000.00.

4. CROSS VALLEY CANAL

General Manager VINK updated the Board on a variety of Cross Valley Canal activities including the execution of the Interim Renewal Contracts.

Deliveries for 2012 are anticipated to be in the 30-40% range.

The District has received its option payment from Del Puerto of \$150,000.00 provided for Article II of the Option to acquire Temporary Water Supply Agreement between Lower Tule River, Pixley and Del Puerto.

5. TULE RIVER ASSOCIATION

The Board reviewed the January 18, 2012 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 reported that he and other Tule River representatives would be traveling to Sacramento on the 16th of February to meet with the Corp of Engineers to discuss the Dam Safety operations at Success Reservoir.

Success Power Project

The Board discussed Success Power Project related activities including a scope of the generator repairs and the new contract with SOUTHERN CALIFORNIA EDISON.

General Manager VINK presented for consideration a Phase II contact amendment with NLINE ENERGY in the amount of \$5,000.00 to prepare the Feed In Tariff agreements with SOUTHERN CALIFORNIA EDISON. On motion by Director COSTA, second by Director

BARCELLOS and unanimously approved, the Board authorized execution of the contract amendment.

6. FRIANT WATER AUTHORITY

The Board reviewed the January 19, 2012 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 January 20, 2012 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

The Board also spent some time discussing the recent tour that the District Board was able to take of the Southern California Edison facilities of Shaver Lake.

General Manager updated the Board on the Mid Pacific Region Water Users Conference held in Reno and the end of January 2012 at which Operations Manager BATTLES received the F.GORDON JOHNSTON award for outstanding operations and maintenance. The Board congratulated BATTLES on his accomplishments and the award.

10. MISCELLANEOUS MATTERS

- A. Association of California Water Agencies - Nothing new to report
- B. California Farm Water Coalition - Nothing new to report
- C. Family Farm Alliance – Nothing new to report

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

Respectfully Submitted,

Daniel G. Vink
General Manager