

**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 October 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
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: ALEX PELTZER – District Counsel (Closed Session Only)

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 September 11th 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 minutes of the September 11^h Regular meeting and ordered them placed on file.

2. WATER RESOURCES

General Manager VINK reviewed with the Board an updated forecast from the Friant-Kern Division, which has increased the Class I Declaration from 55% to 57%. The nominal increase will have no effect on the District's water operations for 2012 as the 2% increase amounts to approximately 1,200 A/F, which will be carried into the winter months and possibly into 2013 Water Year.

General Manager VINK reviewed a variety of other water related activities including recent meetings with the Angiola Water District representatives. The Board will convene into Executive Session at 10:30am to discuss the matter in more detail.

The Board reviewed a recent landowner meeting to discuss groundwater issues and a report from VINK along with Directors ROELOFFS and BARCELLOS was received. The Board also received an update on the Poplar Ditch Annual meeting and an update on the Water Management Program with Downstream. No action was taken on any of those items.

3. DISTRICT OPERATIONS

Construction and Operation activities

The Board reviewed a variety of Operation and Maintenance activities including an update from staff on the Pixley Avenue 116 project.

The Board also then briefly discussed the sale of the District's backhoe. The backhoe is scheduled to be sold at auction on the 12th of October.

Legal Matters

General Manager VINK briefed the Board on the San Joaquin Settlement issues including the Title III money that is designed to go to Friant contractors for mitigation programs to offset losses to the SJRRP. There is approximately \$35 million dollars available under the Title III program, although the majority of that money has not yet been appropriated. The Bureau of Reclamation is working on programs to award the Title III money through grant programs.

At approximately 11:00am the District entered into Closed Session to discuss a variety of items including the San Joaquin River Restoration program and related litigation.

At approximately 11:30am Director ROELOFFS recused himself from the meeting due to a Conflict of Interest, as the Board continued to discuss various matters related to the on-going litigation with the Angiola Water District.

APPROVED

Upon coming out of Closed Session at 12:00pm, it was reported no action was taken.

Administrative Activities

The Board reviewed a variety of Administrative actives including the 2013 Budgets as prepared by Staff and reviewed at the September meeting. After considerable review, on motion by Director BARCELLOS, second by Director COSTA and unanimously approved the Board accepted the 2013 Budgets and ordered they be placed on file.

The Board then reviewed the 2013 Assessment and the application of the refunded Capital payments from 2010 to be applied to the 2013 Assessments as per previous discussions. On motion by Director BARCELLOS, second by Director ROELOFFS and unanimously approved, the Board directed that the refund of Capital from the 2010 Bureau rates, the same year in which the District paid off it's Capital under the 9d contracts, be applied to the 2013 Assessment. The total of the refund to be applied to the 2013 Assessment equals \$1,120,771.40 and will offset approximately 70% of the increase to the 2013 Assessments.

The Board considered participation in the State Surplus Property program. On motion by Director BARCELLOS, second by Director COSTA and unanimously approved, the Board authorized execution of an agreement that will allow staff to purchase property at State Surplus programs for District use.

General Manager VINK presented for consideration an agreement with the High Speed Rail Authority that would reimburse the District for any expenses incurred in reviewing plans, etc. related to the construction of the High Speed Rail in the Western portion of the District. On motion by Director FERNANDES, second by Director ROELOFFS and unanimously approved the Board authorized execution of those agreements.

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

The reviewed the actions of the Finance Committee in the payment of the bills for the month of September. On motion by Director ROELOFFS, second by Director BARCELLOS and unanimously approved the Board ratified the actions of the Finance Committee in the payment of the September bills.

4. CROSS VALLEY CANAL

APPROVED

General Manager VINK reported that approximately 1/3rd of the District's Cross Valley water has been delivered in the month of September with the balance estimated to be delivered to Westlands Water District under agreement in October.

5. TULE RIVER ASSOCIATION

The Board reviewed the September 12, 2012 the meeting of the Tule River Association. The minutes of the meeting have been distributed and as such are not repeated here.

District staff will be meeting with the Corp of Engineers in a Stakeholders meeting on the 11th of October 2012 to review the planned work and operating restrictions for the fall and winter 2013.

Success Power Project

The District has received its first payment under its new contract with Southern California Edison. The increase in rates went from approximately 4 cents per kilowatt hour, to 10 ½ cents per kilowatt hour.

6. FRIANT WATER AUTHORITY

The Board reviewed the September 27, 2012 meeting of the Friant Water Authority. The District has received a call for funds in the amount of \$81,668.00 from the Friant Water Authority. On motion by Director ROELOFFS, second by Director COSTA and unanimously approved the Board authorized payment of the call for funds to the Friant Water Authority.

7. MISCELLANEOUS AGENCIES/AUTHORITIES

Deer Creek & Tule River Authority

The Board reviewed the September 21, 2012 meeting of the Deer Creek & 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 - 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