

**MINUTES OF A REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
PIXLEY IRRIGATION DISTRICT**

The Board of Directors of the Pixley Irrigation District met in a rescheduled regular meeting on the 15th day of August 2013, at 11:00 a.m. at the District office in Tipton, California.

The meeting was called to order by President Junio. It was determined the following Directors were present:

Director Div.3	Randy Parreira
Director Div.2	Bill De Groot
Director Div.5	Frank Junio
Director Div. 1	Raymond Westbrook - ABSENT
Director Div.4	Rusty Schott

Staff present:

Daniel G. Vink, General Manager
Mike Battles, Operations Manager
Eric Limas, Business Manager

Guest present:

Board of Directors & Staff, Delano-Earlimart Irrigation District

BOARD ADMINISTRATION

On motion by Director Parreira, second by Director DeGroot and unanimously approved, the Agenda was approved as presented.

The Minutes of the July 11, 2013 Regular meeting were distributed for review prior to the meeting. On motion by Director DeGroot, second by Director Parreira and unanimously approved, the Board accepted the July 11, 2013 Regular Meeting minutes and ordered them placed on file.

WATER RESOURCES

Water Supply

General Manager Vink reviewed with the Board a variety of water resource related activities including the current water run and the Friant Division declaration. The current declaration has been set at 62% Class I.

Most landowners were appreciative for the water run that the District had this summer.

The Board then reviewed the 2013 water budget and on motion by Director Schott, second by Director DeGroot and unanimously approved the Board set the 2013 water budget as per staff recommendation.

General Manager Vink reviewed a variety of other water supply activities with the Board including recent meetings with District Counsel Peltzer, Consulting Engineer David DeGroot and Vink with water representatives in Orange County. The meeting involved the Orange County Water District and the Chino Basin Watermaster. A follow up to those meetings with the Groundwater Task Force has been set for August 27, 2013.

DISTRICT OPERATIONS

Operations & Maintenance

The Board reviewed a variety of Construction and Maintenance activities including an extensive briefing on the Avenue 116 project and the work being done on land acquisition and preliminary engineering and design. The bulk of work on the project had been delayed until the Bureau of Reclamation can complete its NEPA compliance, which included consultation with the State Historic Preservation Office (SHPO).

Operations Manager Battles then reviewed with the Board a variety of routine maintenance activities. No action was taken.

General Manager Vink presented for consideration a proposal to use the General Manager's educational allowance. The proposal was distributed to the Board for review prior to the meeting. General Manager Vink is proposing to use the educational allowance to obtain Advanced Project Leadership certification from Stanford University. On motion by Director Schott, second by Director DeGroot and unanimously approved the Board authorized use of the educational allowance for those purposes.

Administrative Matters

General Manager Vink reviewed with the Board the sale of land to the Fish and Wildlife Services. No action was taken.

The Board then reviewed the Financial Statements for the month of July 2013. On motion by Director Schott second by Director Parreira 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. On motion by Director Schott second by Director Parreira and unanimously approved, the Board ratified the actions of the Finance Committee in the payment of the July bills.

CROSS VALLEY

General Manager Vink reported that Cross Valley canal deliveries have commenced, although they are intermittent at this point do tidal conditions and the Delta. It is anticipated that the bulk of the Cross Valley water will be delivered by the end of September.

FRIANT WATER AUTHORITY

The Board reviewed the July 25, 2013 minutes of the Friant Water Authority. The minutes of the meeting have been distributed and as such are not repeated here.

MISC. AUTHORITIES/AGENCIES:

Deer Creek & Tule River Authority

The Board reviewed the July 19, 2013 minutes of the Deer Creek and Tule River Authority. The minutes of the meeting have been distributed and as such are not repeated here.

U.S.DEPT OF INTERIOR/BUREAU OF RECLAMATION:

Nothing new to report.

MISCELLANEOUS MATTERS:

1. ACWA / JPIA – Nothing new to report
2. California Farm Water Coalition – Nothing new to report

JOINT MEETING WITH DEID

At approximately 12:00pm, the Delano-Earlimart Irrigation District Board of Directors and staff entered the meeting to review and discuss with the Board the joint groundwater-banking project.

General Manager Vink began the discussion with the expectations of today's meeting. Mr. Moss then reported on the status of the project, a review of the project design, the recommended rates for the project and the basis for the design for those rates. A series of spreadsheets were reviewed with the boards that were used for the purpose of explaining the rate structure and providing the foundation on the development of the rates.

Following the presentation and extensive discussion, on motion of Director DeGroot seconded by Director Parreira and unanimously approved, the board set the following rate structure for the groundwater banking project:

- Capital buy-in per share: \$1,750 with 30,000 shares offered for sale;
- Put charge (when water is brought to the bank for recharge): \$0;
- Take charge (when banked water is recovered): \$30.00 per acre-foot;
- Recovered water energy charge (recovery wells energy and conveyance energy): pass-through actual cost, 2013 estimate is \$105.00 per acre-foot;
- Annual administrative charge: \$21.00 per share with this fee fixed for the first three years of operation.

The motion also included the agreement that of the 30,000 shares offered for sale, the first 15,000 will be offered at a subsidized rate of \$1,500 per share, utilizing a part of the Part III funds that have been committed to the project by the U.S. Bureau of Reclamation, with the proviso that Delano-Earlimart Irrigation District would have the first right of refusal on 10,000 shares of the total subsidized shares. It was further agreed that the project would be marketed first to Friant long-term contractors between now and December 31, 2013; subsidized shares available for sign-up only through October 1, 2013 any over-subscription of the available



APPROVED

subsidized shares would be prorated on the basis of the amount requested per participant; and that a \$100 per share, non-refundable deposit would be required at the time of request.

By its own separate action, the Delano Earlimart Irrigation District board passed the same motion.

U.S. BUREAU OF RECLAMATION PART III GRANT:

Vink reported that the Bureau had recently advised the project sponsors that the cost-share for phase 1 of the Pixley Water Bank was being increased to the maximum 50 percent amount, a total of \$6,659,600. It was further noted that the Bureau has requested execution of a funding agreement by the end of August. On motion of Director Schott, seconded by Director DeGroot and unanimously approved, the Board authorized officers of the District to execute the Part III funding agreement with the Bureau, subject to review and approval by legal counsel of the final agreement.

By its own separate action, the Delano Earlimart Irrigation District board passed the same motion.

There being no further business to be brought to the Board's attention and the meeting was adjourned.

Respectfully submitted,

Daniel G Vink,
General Manager