

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 9, 1985:

The meeting was called to order at 1:35 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President Donald W. Ketscher, Vice President James O. Orlopp Stanley C. Beach Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager Secretary

The minutes of the Regular Meeting of the Board of Directors held on December 12, 1984, were approved as mailed on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

Bills in the amount of \$47,902.16 were read, approved and ordered paid on the motion of Director Beach, seconded by Director McFarlin. Motion carried.

The Statement of Finances and Cash Plan Report were presented by Engineer-Manager Moss.

The water supply was then discussed. A review of the long range winter season forecasts as prepared by the Department of Water Resources and the Scripps Institute of Oceanography predict a water year of between 110 and 120 percent of normal for the San Joaquin River. This assumes normal precipitation for the remainder of the season. Current snow pillow readings for the San Joaquin River Water shed indicate that approximately 50 percent of the April 1st average of water is already on the ground.

The Monthly Maintenance Report and Operational Summary were presented by Engineer-Manager Moss.

Mr. Joe Tarbell and Mrs. Jim Tarbell and her son then entered the meeting. They expressed their concerns over the high cost of maintenance on Improvement District 11B-Ditch from the 1984 season. A review of all the work that was done in that improvement district for 1984 was then made. Engineer-Manager Moss noted that Improvement District 11B-Ditch has the smallest acreage of all the improvement districts within the irrigation district and that it has a high number of pipelines for its relative size. This combination makes for tremendous fluctuations in maintenance cost from year to year. The average maintenance cost over the last several years for Improvement District 11B-Ditch has been above normal, but you would have expected this to be the case since a portion of the delivery system is still an open ditch. The Board thanked the Tarbells for coming to the meeting to express their concerns and assured them that the high cost of maintenance within the irrigation district was of major concern to the Board as well. The Tarbells left the meeting at 3 p.m.

Engineer-Manager Moss presented a request on behalf of some of District employees to have payday moved to Fridays of every other week. Currently paydays are on the 1st and 16th of each month. The Board had no major objections to the proposal as long as the total annual costs related to payroll were the same. They did add however that since the change would effect all employees the decision to change should therefore be unanimous or nearly unanimous.

The purchase of a pickup was then discussed. The current State bid for pickups purchased through the State Office of Procurement was reviewed. On a motion by Director Ketscher, seconded Director Orlopp, Engineer-Manager Moss was authorized to sign all documents necessary for the purchase of a pickup similar

to those purchased last year through the State Office of Procurements. (See Resolution 1-85). Motion carried. Director Beach voted no, noting the same reasons as expressed last year. The total cost of the pickup (including State handling fees) will be approximately \$7,600.00.

Engineer-Manager Moss then briefed the Board on the status of the Power Projects. The Friant Project is well into the critical construction window and appears to be on schedule. Currently the crews are working 7 days a week, 10 hours a day. The Madera rotor is in Oakland awaiting testing by Hitachi (the rotor manufacturer) to assure the Authority that it was not damaged in the accident as reported in December 1984. The Friant Power Authority Board is still working towards a position to begin negotiations on the return of the Development Fund to P.G. & E. The transmission line tying into the P.G. & E. grid has been completed and tested. There is serious rumor around both the project site and Fresno in general that R.G. Fisher Company, the prime contractor for the Friant Power Project, is in serious financial trouble. It is anticipated that should Fisher default on their contract that the performance bond holder, Firemans Fund Insurance Company, would immediately step in with a new contractor to continue the project. Recent meetings with Betchel Engineering indicate that they are progressing well with their initial review of the Granite Project and that they are still enthused about its ultimate construction. The final results of their initial review will be available later this month. The Board then review the letter of reply to Mr. Peter McAlpin, President of Hydro Electric Constructors as prepared by Engineer-Manager Moss for the development of the Kings River Siphon Hydro Electric Project. No reply as of this date has been received from Mr. McAlpin.

The Status of Third AC Intertie was then discussed. Currently the districts involved in this project are preparing their comments on the Memorandum of Understanding that has been prepared by the investor-owned utilities and the municipals that details the sharing of the power line to the apparent exculsion of the irrigation districts. These comments need to be presented to the Department of Energy before the 2nd of February, 1985. The comments are being prepared by Mr. John Teerink, of Bookman-Edmonston Engineering, after consultation with the Districts. The Department of Energy assures the districts that they still have an opportunity to be included as participants in the construction of the Third AC Intertie, however they need to formalize themselves into an effective group to bargain with the investor-owned utilities and municipals that have been effective in developing the project to their satisfaction so far.

Under other business, the Board again reviewed the proposed 1985 rates for water and on a motion by Director McFarlin, seconded by Director Beach approved the minor modifications as proposed by Engineer-Manager Moss. Motion carried.

With no further business to discuss the Board Meeting was adjourned at 4:30 P.M.

Harvey S. Chase

Harvey S. Chase, President

Richard M. Moss

Richard M. Moss, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 13, 1985:

The meeting was called to order at 1:33 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
	Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary

The minutes of the Regular Meeting of the Board of Directors held on January 9, 1985, were approved as mailed on a motion by Director Ketscher, seconded by Director Beach. Motion carried.

Bills in the amount \$49,552.97 were read, approved and ordered paid on the motion of Director Orlopp, seconded by Director Beach. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss. This report now contains a Statement of Finances, Cash Plan Report, Water Supply Schedule and Forecast and an over-view of charges made to Operation, Administration and Maintenance for the month and year-to-date. Also included is a detail breakdown of Maintenance Costs for the Improvement Districts for the month and year-to-date.

The current forecast for the San Joaquin River indicates a below normal year. The April-July runoff is forecast at 72 percent of normal or 891,000 acre feet and the water year is forecast at 74 percent of normal for 1,282,000 acre feet. The Bureau has declared 100 percent of Class I water available and 15 percent of Class II water available.

The Board then review a letter from Hydro Electric Constructors (HEC) regarding the development of the Kings River Siphon Hydro Electric Project. This letter was written in reponse to a letter sent by Engineer-Manager Moss concerning questions on the allocation of revenues from the project, holder ownership of the project and the financing. Of particular concern to the Board was the HEC statement that they would not proceed on the project unless they were to share in the long term revenues. The Board did not want to preclude, at this point in time, the more conventional approach to financing a project of this type which would lessen HEC's roll in both long term liability and long term sharing of the revenues. The Board directed Engineer-Manager Moss to press this issue to HEC along the lines of the District supplying a larger share of the development monies and lessening or eliminating HEC's long term involvment. An estimate of cost to take the project through the development and licensing phrases is also needed.

The status of Third AC Intertie was then discussed. The Secretary of Energy has recently amended the Memorandum of Understanding that was originally prepared by the investor own utilities and cities and it now includes 50 mega watts of capacity for essentially the irrigation districts group. The 50 mega watts will be approximately half of the amount requested by the districts originally. The Western Area Power Administration will now go through an allocation process to determine who is eligible for the 50 mega watts, following criteria also outlined by the Department of Energy. A tremendous amount of work is now in front of the irrigation districts to formalize their organization into one which can negotiate with power producers in the Pacific Northwest as well as the other participants in the Third AC Intertie for the construction and ultimate wheeling of power to the districts. The District will have to participate in the costs associated with establishing the organization.

Engineer-Manager Moss then briefed the Board on the status of the Friant Power Project and the Granite Power Project. Moss reported on a meeting held with a representative of Hitachi concerning the testing of the rotor for the Madera Power Plant which might have sustain damage when it was inadvertently dropped from a truck. The Friant Power Authority directed Hitachi to go test the rotor by spinning it at a speed of 165 percent of normal of operating speed. If the rotor does not show any sign of damage from this test and if Hitachi is willing to supply the authority with an additional year warranty then the rotor would be accepted by the authority. All additional costs are to be born by Hitachi. The prime contractor for the construction of the civil works on the Friant Project has gone into default. The bonding company Firemans Funding Inc., has hired the firm of Swinegar and Walbert to complete the construction. It appears that the transition from old contractor to the new contractor is going smoothly. The river outlet is near completion and is expected to be on line within a month and a half. The original commerically operable for the river outlet was to be the end of January. The construction is now through the critical window period of canal shutdown. Water was returned to the canal on schedule. Some work remains on the bypass valving in order to bring the flow capabilities up to full requirements. Recent meetings with Bechtel Engineering indicate that the Granite Project is still viable. Bechtel has reviewed all the work done to date on the development of the project and has essentially left the orginal physical concepts the same. They feel that the long term financing will have to have an interest rate of around 11 percent to make the project feasible this would most likely be facilitated by tax exempt bonds.

The Board then reviewed informal bids and information presented by equipment companies for a backhoe and trailer. The Board directed Engineer-Manager Moss to firm up the prices and to investigate the possibly of purchasing a used trailer.

Engineer-Manager Moss reminded the Board of the need to fill out Conflict of Interest Statements soon. Howard Barker of the District staff will help the Board in the preparation of these statements if they so desire.

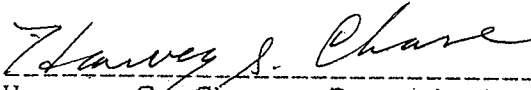
Engineer-Manager Moss then briefed the Board on recent efforts on the Central Valley Project Water Association to take over operations and maintenance of the Central Valley Project. The Bureau is currently offering only a portion of the Central Valley Project for the take-over. They are limiting the scope to only selected portions of the conveyance system. It would appear to be in the best interest of the Friant Unit to pursue the O & M take-over of the Friant Kern Canal on their own.

President Chase briefed the Board on recent meetings he has attended regarding the consolidation of the place of use for the water rights of the Central Valley Project. The Bureau of Reclamation is pursuing an expansion of the place of use of CVP water to include a large portion of the current State Water Project service area. This should concern the District in that there is not current water available to satisfy the needs of the existing service area much less an expanded service area.

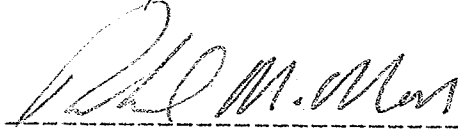
Under other business Engineer-Manager Moss reported on the Bureau Conference held in Klamath Falls Oregon in January. Of particular interest was a session he attended regarding Rehabilitation and Betterment loans offered by the Bureau. These loans are for the rebuilding or renewing of existing systems-not necessarily Bureau systems. It appears the Orange Cove Irrigation District would qualify for such a loan. The main advantage to these loans are that they are interest free. The Board then reviewed a letter from the Tulare County Grand Jury which noted the potential for the Grand Jury to investigate any or all special districts. The letter has been forwarded to Attorney Jensen for his review and comments. Engineer-Manager Moss then brief the Board on the status of the South Avenue pipeline replacement. Recent meetings with the City and County have raised some interesting questions. In particular the costs of right-of-way for the pipeline appears to be very expensive.

It is currently being proposed that the pipeline be relocated, but remain within the City. The pipeline would be placed within the road right-of-way owned by the City at a spot that long term accessibility could be guaranteed. The District has been asked to supply the City and the County with updated specifications for pipelines that are to be located within a road right-of-way. Engineer-Manager Moss has responded to this request. The Board directed Engineer-Manager Moss to proceed with this current line of thinking as long as problems associated with the long term operation and maintenance could be minimized.

With no further business to be discussed the Board Meeting was adjourned at 4:00 p.m.



Harvey S. Chase, President



Richard M. Moss, Engineer-Manager

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, March 13, 1985:

The meeting was called to order at 1:40 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
	Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary

The minutes of the Regular Meeting of the Board of Directors held on February 13, 1985, were approved as mailed on a motion by Director Ketscher, seconded by Director McFarlin. Motion carried.

Bills in the amount \$133,042.77 were read, approved and ordered paid on the motion of Director Orlopp, seconded by Director Ketscher. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss.

The last Bureau of Reclamation forecast for runoff of the San Joaquin River indicates 72 percent of normal April-July and 72 percent of normal for the water year. The water content of the snow on the ground shows an average of 18.6 inches for the water shed. This equates to 66 percent of the April 1st average. The Bureau water supply declaration remains at 100 percent Class I and 15 percent Class II.

The Board then reviewed recent correspondence regarding the Bureau of Reclamation requirement for landowners to file Reporting or Certification forms, verifying land ownership, with the District. The Board endorsed the responses authored by Engineer-Manager Moss.

The status of the Third AC Intertie was then discussed. The formation of a joint powers authority is underway. The districts have selected the firm of Kronick, Moskowitz, Tiedemann & Girard of Sacramento to represent the authority and assist in the development of the joint powers agreement. Edward Tiedemann will be the principle attorney. Ron Lampson, Manager of the Berranda Mesa Water District, has been asked to be the manager of the power authority. A management committee which will assist Lampson in all pending negotiations was also formed. Engineer-Manager Moss was asked to be a member of this committee. An estimate of expenses to carry the authority through the formation and feasibility stage has been made of \$100,000. This amount is to be shared equally by all participating districts. This equates to a commitment by each district of approximately \$7,000. A call for funds of \$2,500 of the \$7,000 has been made. A request for the home boards to nominate a board member to sit on the Board of Directors of the power authority has also been made. On a motion by Director Ketscher, seconded by Director Beach, the Board authorize the current call for \$2,500, an ultimate expense of \$7,000 and nominated Harvey S. Chase to be the Orange Cove District's representative. Motion carried.

The Board then reviewed the current proposal for the take-over of Operation and Maintenance of the Friant Kern Canal. The Friant Water Users Association is seeking input from the home boards concerning the proposal to undertake studies of the take-over. A recommendation has been made by the Engineer-Managers group to hire Attorney Ben Ewell to assist in legal matters and Engineer Stanley Barnes to look into the engineering and organization. It is currently proposed to raise the sum of \$100,000 to pay for the studies. It is also proposed to use a formula based on the long term water supply contract amounts for determining each district's share of this initial funding. The Board indicated general agreement with these proposals.

Purchase of a backhoe was then discussed. Quotes from Reed Equipment for a John Deere 310 and 410 backhoe and a quote from Kovac Equipment Co. for a Case 580 backhoe were reviewed. After considerable discussion a motion was made by Director Beach, seconded by Director Orlopp to purchase the Case 580 backhoe as quoted and take advantage of the 7.5 percent lease with buy-out option available through Case. Motion carried. (See Resolution 3-85)

The Board then reviewed a proposal by Engineer-Manager Moss to handle the detachment of the 200 acres annexed by the City of Orange Cove along South Avenue. Moss's proposal would require the landowners of this 200 acres to sign an agreement requiring their detachment from the irrigation district in three years. They would also be required to make a deposit to cover all costs associated with the detachment. In return the district would delay moving ahead with the detachment proceedings for approximately 1 1/2 years with the ultimate detachment occurring in 3 years. This would allow the landowners to continue receiving district water while giving them a reasonable amount of time to pursue development for their property. This would also avoid the District's concerns associated with a piecemeal approach to detachment. The Board directed Moss to pursue this approach with the affected landowners.

Engineer-Manager Moss then presented an initial draft of a contract for the Orange Cove Irrigation District to perform operations and maintenance for a new pipeline in the Hills Valley Irrigation District. Currently the draft of this contract is awaiting revisions as required by Moss.

Engineer-Manager Moss then reviewed for the Board recent problems encountered at the end of the Water Application period for the 1985 year. Specifically there were a few landowners that did not make the cut off date and complained that the date was arbitrary and had no logical basis. The Board again renewed their feelings that the cutoff date was necessary prior to the start of the new water season, but agreed to review the rules in detail prior to the 1986 water year. There should not be any relaxing of these requirements for the 1985 water year.

The Board then reviewed the proposed By-Laws for the Central Valley Project Water Association. It was the general feeling of the Board that while there is no objection to the proposed By-Laws, a more active organization, which would include a increase in dues, would not necessarily be supported.


The Board then reviewed a request from the Central Valley Project Water Association for information regarding our current and future water supply requirements. The Board directed Moss to answer the request for information indicating that while our current supply matches our demand fairly well, there is a considerable area, on the Districts boundaries, that is being developed on a marginal water supply or would be developed if a firm supply of water was available.

Pre-registration for the Spring ACWA Conference in Anaheim is currently underway. The Board directed Engineer-Manager Moss to make reservations for everyone including Administrative Assistant Howard Barker.


The Board then reviewed a letter from the District's Accountants, Baker, Peterson & Franklin which outlines the requirements for the annual audit for the 1984 fiscal year. The Board directed President Chase and Engineer-Manager Moss to approve the directions as outline by the accountants.

A motion calling for a resolution supporting Ferd Preuss for director of the ACWA-Joint Powers Insurance Authority was offered by Director Beach, seconded by Director McFarlin. Motion carried. (See Resolution 2-85)

With no further business to discuss the meeting was adjourned at
4:50 p.m.



Harvey S. Chase, President



Richard M. Moss, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on March 21, 1985.

The meeting was called by unanimous consent of the member of the Board to review the proposed purchase of a diesel truck tractor and equipment trailer for hauling the District's backhoes.

The meeting was called to order at 5:00 p.m. with the following Directors and Officers present:

Harvey S. Chase, President
 Donald W. Ketscher, Vice President
 Stanley C. Beach
 James O. Orlopp
 Richard M. Moss, Engineer-Manager-
 Secretary

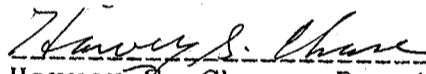
Others

Absent

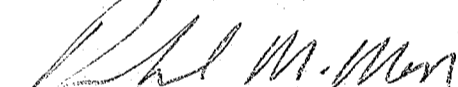
Richard D. McFarlin

Engineer-Manager Moss presented information regarding a truck tractor currently offered for sale by Tharp Trucking of Porterville. President Chase and Director Beach have had the opportunity to see the tractor. Also reviewed was the quotes prepared by Kovac Equipment Co. and Reed Equipment Co. for a Ziemann model #2715 ramp trailer. On a motion by Director Ketscher, seconded by Director Orlopp the Board authorized the purchase of the truck tractor from Tharp Trucking at the cost of \$12,500.00 plus tax and the Ziemann #2715 equipment trailer from Kovac Equipment Co. at the cost of \$10,420.00 plus tax. The trailer is to be included on the lease with the option to buy program on which the recently purchased Case backhoe is also placed. Motion carried. (See Resolution 4-85)

With no further business to be discussed the Board Meeting was adjourned at 5:45 p.m.



 Harvey S. Chase, President



 Richard M. Moss, Secretary

CONSENT TO SPECIAL MEETING

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a special meeting of the Board of Directors of the Orange Cove Irrigation District to be held in the office of the District on March 21, 1985 at 5:00 P.M. for the purpose of equipment purchases.

Dated this 21st day of March , 1985.

Directors

Lawrence J. Chase
Don J. Ketchum
Stanley Beach
James Chapin
Richard F. Di

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 10, 1985:

The meeting was called to order at 1:35 p.m. with the following Directors and Officers present:

Directors	Donald W. Ketscher, Vice President James O. Orlopp Stanley C. Beach Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary
Absent	Harvey S. Chase, President

The minutes of the Regular Meeting of the Board of Directors held on March 13, 1985, were approved as mailed on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

Minutes of the Special Meeting of the Board of Directors held on March 21, 1985, were approved as mailed on motion by Director Beach, seconded by Director Orlopp.

Bills in the amount of \$51,453.73 were read, approved and ordered paid on a motion of Director Beach, seconded by Director McFarlin. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss.

The April forecast for runoff on the San Joaquin River prepared by the Bureau of Reclamation indicates 72 percent of normal April-July runoff and 71 percent of normal for the water year runoff. This forecast was made using medium to lower quartile estimates for any subsequent rainfall. All previous forecasts has been made using medium estimates for subsequent rainfall. The forecast prepared by Department of Water Resources, State of California and forecast prepared by Sierra Hydro Tech indicate only slightly larger runoff estimates for the San Joaquin River. A review of projected reservoir operations for Millerton Lake indicate the possibility of an inflow prorated in the months of August and September. This occurs when the reservoir is at dead storage and any releases into the canal must be prorated to the long term contractors on the basis of Class I water supply. In years past in which an inflow prorated has been put into effect the demand of the Orange Cove Irrigation District has not been affected. The water supply declaration was left at 100 percent Class I and 15 percent Class II. The District used a total of 67 acre feet in the month of March.

Engineer-Manager Moss then reported on the progress being made towards the take-over of the Friant Kern Canal operation and maintenance by the Friant Water Users group. It was decided at the last Friant Water Users meeting to pursue a separate organization from the Friant Water Users Association to handle the operation and maintenance of the canal. The Association will still assist in the day to day handling of funds for the O & M group. The studies originally proposed to review the feasibility of taking over the operation and maintenance have been scaled back and limited to a total expenditure of \$25,000 as compared previously to a \$100,000 limit. On a motion by Director McFarlin, seconded by Director Orlopp the Board approved the participation of the Orange Cove Irrigation District in the O & M take-over studies and the associated cost as prorated to the District. The current estimate of the District's share of these costs is \$658.24.

At 2:30 p.m. a Mr. Robert Noland and Hal Coldren of Hydro Electric Constructors Incorporated entered the Board Meeting. They proceeded to present Hydro Electric Constructor's (HEC's) proposal for the development of the Kings River Siphon Hydro-Electric Project. HEC's proposal was for their turn-key development including supplying construction and long term financing. The District would receive a royalty for the use of

the development rights with eventual ownership of the project. After considerable discussion the Board requested the gentlemen from HEC to make an additional proposal which follows more conventional lines of financing and ownership. Mr. Noland and Mr. Coldren left the meeting at 3:15 p.m.

The Board then discussed the merits of the signing a Standard Offer agreement with Pacific Gas & Electric for the sale of electrical energy generated by the Kings River Siphon Project. There is some concern that the Standard Offer #4 Contract currently provided by Pacific Gas & Electric will be eliminated in the very near future (if not eliminated, severely reduced in payment capacity). On a motion by Director McFarlin, seconded by Director Beach the Board authorized President Chase and Engineer-Manager Moss to sign the Standard Offer #4 Contract for the sale of electrical energy to Pacific Gas & Electric Company and all other documents associated with this contract. Motion carried. (See Resolution 6-85).

The Board then reviewed the Joint Powers Agreement for formation of the Southern San Joaquin Valley Power Authority. This will formalize the group of irrigation districts pursuing capacity jointly in the Third AC Intertie. On a motion by Director Beach, seconded by Director McFarlin the Board authorized the signing of the joint powers agreement by President Chase and Engineer-Manager Moss. (See Resolution 5-85).

Engineer-Manager Moss then presented recent developments concerning the upgrading of Cove Avenue and the potential relocation of some of or all of Improvement District 3-A distribution system. The County of Fresno is proposing the upgrading of Cove Avenue from Central to Highway 180. This upgrading will require the taking an additional of 20 feet of right-of-way for the new roadway. It will therefore be necessary to move at least a portion of the 3A pipeline distribution system out of this new right-of-way. The County will pay for all required relocation costs. Engineer-Manager Moss has been working with the County in an effort to make best use of the monies for the pipeline relocation. This might include a complete renewal of the line along Cove Avenue. The Board was in agreement with Engineer-Manager Moss's approach to the relocation program.

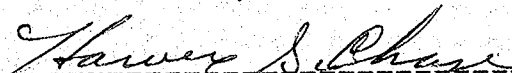
Engineer-Manager Moss reviewed for the Board the steps necessary to take a collectors deed for parcels of land which are delinquent on the assessment for more than five years. The District currently has two parcels which will be subject to taking collectors deeds within the next month. After collectors deeds are taken the property may be sold at sheriff sale or retained by the District if the Board desires. The Board directed Moss to proceed with the collectors deeds for the parcels in question.

The status of the power projects was then discussed. Results of recent meetings involving the engineers for the Granite Project, Bechtel Company and Southern California Edison Company contain both good news and bad news. The main thrust of the meetings have been to see if there is sufficient interest in Edison Company for the buying of electrical energy generated by the Granite Project and if so, how much they might be willing to pay. Similar meetings were also held with a group of representatives of various cities and counties in the southern California area which might also be interested in purchasing all or part of the energy from the Granite Project. The real interest of Edison or the cities won't really be known until future meetings are held. It is anticipated that this process should last no longer than a month or two. The Friant Project is moving ahead on schedule. The River Outlet Power Plant has recently completed its start-up testing and is now or will shortly be in full operational status.

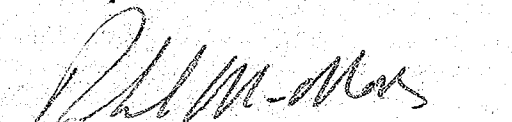
Engineer-Manager Moss reviewed for the Board the status of the claim by P. G. & E. for the development funds as well as recent developments in the machinery contract with Hatachi. The Friant Power Authority has recently taken steps towards the development of power plants on the fish release water outlet as well as another unit for the Friant Kern Canal outlet. The principle action taken was one of signing the P.G. & E. Standard Offer #4 Contract for the sale of electrical energy developed by these two new power plants. A sharing of the development cost and ultimate benefits which arise from these plants has been an item of discussion at recent Friant Power Authority board meetings. It is felt by Engineer-Manager Moss that the fish release project, being a completely new feature to the Friant Power development, should be shared equally by all participants in the Friant Power Authority. The second unit at the Friant-Kern outlet will most likely be considered an incremental part of the originally planned development of the hydro-electric potential at Friant Dam.

The Board meeting was then recessed to allow the Board to sit as the Deferred Compensation Committee to attend to the request of Frank Angulo to make an emergency withdrawal of some of his monies from the program. A motion to allow an emergency withdrawal of an amount not to exceed \$2,500 dollars was made by Director Beach, seconded by Director Orlopp. Motion carried. The Board meeting then reconvened.

With no further business to discuss the meeting was adjourned at 5:00 p.m.



Harvey S. Chase, President



Richard M. Moss, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Thursday, May 16, 1985:

The meeting was called to order at 9:10 a.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
	Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary

The reading of the minutes of the previous meeting was dispensed with, until the June Board Meeting.

Bills in the amount of \$52,893.11 were read, approved and ordered paid on a motion by Director Orlopp, seconded by Director Beach. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss.

The Bureau of Reclamation forecast for runoff on the San Joaquin River was reduced in the May estimate. The April-July runoff is now forecast at 70 percent of average and the water year runoff is forecast at 68.8 percent of average. This led to a reduction in the declared water supply of 100 percent of Class I and 11 percent of Class II. Rainfall in the month of April was far below average. The District used a total of 2741 acre feet in the month of April.

The Board then took up a review of the revised agreement for the operation and maintenance of the Hills Valley Irrigation District distribution system. After considerable discussion the Board directed Engineer-Manager Moss to arrange a meeting with the representatives of the Hills Valley Irrigation District to fully discuss and understand the commitments being made by entering into this agreement. Engineer-Manager Moss noted that a short time frame will require the Board to act on this agreement prior to the next board meeting. The Board indicated that if all the problems and questions associated with this agreement could be answered they would be willing to call a special board meeting for the approval of the agreement.

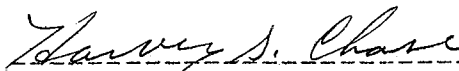
Engineer-Manager Moss briefed the Board on recent meetings with Fresno County concerning the renovation of Cove Avenue. The County is anticipating meeting with the affected landowners in the near future and would like to have the Districts concurrence in an approach to the required right-of-way and relocations. Engineer-Manager Moss is continuing to work with the County.

The status of the Third AC Intertie project was then reviewed. On Friday, May 17, 1985 there will be a board meeting of the Southern San Joaquin Valley Power Authority to complete the formation of the power authority. President Chase stated that due to time constraints that he felt he could no longer be the District representative for the Southern San Joaquin Valley Power Authority. On a motion by Director Ketscher, seconded by Director McFarlin, the Board appointed Stanley Beach to be the District representative to the Authority.

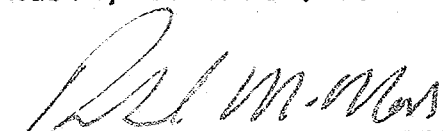
Engineer-Manager Moss then reviewed the status of the hydroelectric power projects. The Friant Project appears to still be on schedule with anticipated startup of the Madera Plant in mid June and startup of the Friant-Kern Plant in mid July. The River Outlet Power Plant is in full operation.

Bechtel Engineering still maintains their interests in the Granite Project. There was some indication that Southern California Edison Company will be willing to write a letter of interest in the purchase of power generated by the Granite Project. An indication a certain level of interest would allow Bechtel to seek outside financing for the continued development of the project. A meeting with Bechtel and Edison has been scheduled for the early part of June.

With no further business to discuss the meeting was adjourned at 11:15 a.m.



Harvey S. Chase, President



Richard M. Moss, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, June 3, 1985.

The meeting was called by unanimous consent of the members of the Board to review the proposed operation and maintenance agreement for the Hills Valley Landowners Association and Hills Valley Irrigation District, (see attached consent).

The meeting was called to order at 10:20 a.m. with the following Directors and Officers present:

- Harvey S. Chase, President
- Donald W. Ketscher Vice President
- Stanley C. Beach
- James O. Orlopp
- Richard D. McFarlin
- Richard M. Moss, Engineer-Manager-Secretary

Others

The Board then reviewed the latest draft of the agreement for the operation and maintenance of the Hills Valley Landowners Association and Hills Valley Irrigation District water distribution system. Discussion also included a review of the recent meeting between representatives of the Hills Valley Group and members of the Orange Cove Irrigation District Board of Directors and staff. On a motion by Director Beach, seconded by Director McFarlin the Board authorized President Chase and Engineer-Manager Moss to sign the agreement and any necessary paper work to put it into effect. This paper work will include the encroachment permit as required by Fresno County. Motion carried. (See Resolution 7-85).

With no further business to discuss the Board Meeting was adjourned at 10:50 a.m.

Harvey S. Chase

Harvey S. Chase, President

Richard M. Moss

Richard M. Moss, Secretary

CONSENT TO SPECIAL MEETING

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a special meeting of the Board of Directors of the Orange Cove Irrigation District to be held in the office of the District on June 3, 1985 at 10:00 A.M. for the purpose of authorization to sign the Hills Valley Irrigation Agreement.

Dated this 3rd day of June, 1985.

Directors

James O'Leary
James J. Chase
Les Ketschey
Alvin C. Beach
R. M. F. Jr.

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, June 12, 1985:

The meeting was called to order at 1:40 p.m. with the following Directors and Officers present:

- Harvey S. Chase, President
- Donald W. Ketscher Vice President
- James O. Orlopp
- Stanley C. Beach
- Richard D. McFarlin
- Richard M. Moss, Engineer-Manager-Secretary

Others.

The minutes of the Regular Meeting of the Board of Directors held on Thursday, May 16, 1985, and the Special Meeting of the Board of Directors held on Monday, June 3, 1985 were approved as mailed on a motion by Director Orlopp, seconded by Director Beach. Motion carried.

Bills in the amount of \$77,880.02 were read, approved and ordered paid on a motion of Director McFarlin, seconded by Director Beach. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss.

The June forecast for runoff on the San Joaquin River prepared by the Bureau of Reclamation shows another reduction in the water supply. The April-July forecast is now projected to be 65.5 percent of normal and the water year forecast shows 65.6 of normal. This reduction was due principally to significantly less runoff in May than originally projected. This led to a reduction in the declared water supply of 100 percent of Class I and 7 percent of Class II. There was no rainfall in the month of May. The District used a total 5,392 acre feet in May.

Kyle Stevenson of the accounting firm of Baker, Peterson & Franklin then entered the Board Meeting. Mr. Stevenson presented the audit for the year 1984. He also presented the management letter which includes their firm's suggestions for improvements in accounting procedures. On a motion by Director Ketscher, seconded by Director McFarlin the 1984 annual audit was accepted. Motion carried. The Board thanked Mr. Stevenson for his presentation. Mr. Stevenson left the Board Meeting.

Engineer-Manager Moss presented a letter received from Hydro-Electric Constructors regarding their estimated cost and financing proposals for the Kings River Siphon Hydro-Electric Project. The Board reviewed their proposal and decided further analysis is required. The Board directed Engineer-Manager Moss to seek appropriate legal and feasibility consultation to properly analyze the proposal presented by Hydro-Electric Constructors and to make recommendations as to the next steps to take. The Board also reviewed a letter from Pacific Gas & Electric Company informing the District that they are awaiting a ruling from the California Public Utilities Commission to determine if they must sign the Power Purchase contract submitted to them in April by the District. The ruling is expected later in the month.

The Board then reviewed questions presented by Engineer-Manager Moss regarding the ownership and maintenance agreement for the distribution pipeline in Improvement District #8 that serves only the Drum Valley Vineyards property. The Board recalled their agreement with Drum Valley Vineyards as requiring a 50/50 sharing of the construction and material cost of the pipe and pumps but that the ownership and long term maintenance responsibilities of the pipeline would belong to Drum Valley Vineyards. The pump and associated controls would be owned, operated and maintained by the District. The Board directed Engineer-Manager Moss to relay this information to the owners of Drum Valley Vineyards and get back to the Board if there are any questions or problems.

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The Board then reviewed recommendations of Engineer-Manager Moss for merit increases for the regular employees. On a motion by Director Orlopp, seconded by Director Ketscher the Board approved Moss's recommendation with the limitation that there would not be any increase in salary for management employees.

The Board meeting then adjourned to Executive Session to review the salary of Engineer-Manager Moss. Engineer-Manager Moss left the meeting. The Regular Board Meeting reconvened. Engineer-Moss re-enter the room and the decision to increase Moss's salary from \$4,003.00 per month to \$4,167.00 a month was announced.

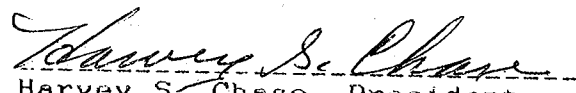
Engineer-Manager Moss then reported on recent changes in staffing which required the promotion of Arthur Pipkin to Watertender and the return of Richard Hayes to the maintenance staff. These moves were necessary due to Haye's injury to his ankle which forced him to be off of work for nearly 2 months.

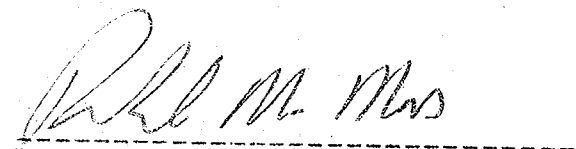
The Board then reviewed the latest edition of acreage reporting forms recently issued by the Bureau of Reclamation. The forms have been sent to those landowners in the District which did not report on the initial forms as sent last August. The Bureau of Reclamation is requesting a list of those landowners who own more than 40 acres in the District and who have failed to report. The Board directed Engineer-Manager Moss to continue his efforts in obtaining the completed forms from those affected landowners and to check with Attorney Jensen as to the legal requirement forcing the District to supply a list of those landowners who are not in accord.

The Board then reviewed the requirements for the up-coming District election in Division #3 and Division #5. Director Ketacher offered a resolution calling for the Consolidation of the District Election with the General Election and further detailing the cost allocation and candidate statement requirements. (See Resolutions 8-85 & 9-85). Director Beach seconded the motion. Motion carried. Director Orlopp then informed the Board of his decision not to run for re-election in the coming Fall due to his anticipated move to the State of Washington.

The Board then reviewed a letter and associated statement as presented by Arnold Rummelsburg of Wheeler Ridge-Maricopa Water Storage District, which detailed the efforts of some large districts in Kern County to seek a water supply from the Central Valley Project. Currently these districts are served as part of the State Water Project.

With no further business to discuss, the Board Meeting was adjourned at 4:45 p.m.


Harvey S. Chase, President


Richard M. Moss, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, July 10, 1985:

The meeting was called to order at 1:45 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
Others	Richard M. Moss, Engineer-Manager-Secretary
Absent	Richard D. McFarlin

The minutes of the Regular Meeting of the Board of Directors held on Wednesday, June 12, 1985, were approved as mailed on a motion by Director Beach, seconded by Director Orlopp. Motion carried.

Bills in the amount of \$154,966.99 were read, approved, ordered paid on a motion by Director Ketscher, seconded by Director Beach. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss.

The July forecast for the runoff of the San Joaquin River prepared by the Bureau of Reclamation shows yet another reduction in the water supply. The April-July forecast is now projected to be 63.4 percent of normal or 781,000 acre feet. The water year forecast shows 63.7 percent of normal or 1,108,900 acre feet. The declared water supply has been reduced to 100 percent of Class I and 4 percent of Class II, however none of the Class II will develop before September. Therefore all of Class II use must be scheduled after September 1st. The District used a total of 6,295 acre feet in the month of June. This places the District total use through June at 14,091 acre feet. After a thorough discussion, Engineer-Manager Moss was directed not to buy or sell any water at this time. The Board also reviewed a proposed agreement for the long term exchange of water with another water service contractor. This type of agreement would firm up the District's water supply in a water short year in exchange for the guaranteed sale of any water surplus to the District's needs on a normal or above average year. The Board directed Engineer-Manager Moss to proceed with this concept and contact the long term contractor which the District has dealt with in the past for water sales.

The Board reviewed proposals for legal and feasibility consulting for the Kings River Siphon Hydroelectric Project. The proposal for legal assistance from the Minasian firm of Oroville involves a graduated fee structure to be paid out of revenues of the project, if and when the project is constructed. The proposal for feasibility consulting received from Donald Salow of Sacramento is on an hourly rate basis with a \$3,500.00 maximum. On a motion by Director Ketscher, seconded by Director Beach the Board authorized Engineer-Manager Moss to sign both proposed agreements on behalf of the District. Motion carried.

Engineer-Manager Moss presented the Board with a letter from Pacific Gas & Electric (PG&E) Company which outlined the steps the District will have to take in order to have P.G.&E. counter-sign the power purchase agreement that was submitted to them in April 1985, by the District. Of particular concern was the requirement that the District demonstrate "site control" by August 20, 1985. "Site control" can be demonstrated in a number of different ways. It essentially requires that the developer or the District has the exclusive right to develop the proposed project.

Mr. Allen Corrin and Andy Mitchell then entered the Board Meeting. Mr. Corrin proceeded to describe for the Board the problems they have had with the distribution pipeline in Improvement District #8 that serves the Drum Valley Vineyards

property. Mr. Corrin agreed with the Board's previous recollection that the pipeline was to be installed on a 50/50 sharing of the construction and material cost, however he differed from the Board's thoughts as to the long term ownership and maintenance responsibility for the pipeline. He felt the pipeline did nothing more than replace a previously existing line that was owned, operated and maintained by the District. The Board directed Engineer-Manager Moss to meet with Mr. Corrin and Mr. Mitchell as necessary and to try to develop an agreement for the long term ownership, operation and maintenance of the pipeline. Mr. Corrin and Mr. Mitchell then left the meeting.

Engineer-Manager Moss reported on the status of the Power Projects.

The Friant Power Project appears to be on schedule. The Madera Power Plant is currently in startup testing and should be on line before the end of the month. The Friant-Kern Power Plant is due to begin startup testing around the 1st of August. Of major concern at the present time is the fact that there will be little water left in the reservoir to perform all of the needed testing for the Friant and Madera Power plants. The Power Authority attorneys are analyzing the construction and machinery contracts to see what can be done to extend the startup and performance testing periods until adequate water is available to fully test the power plants.

Tudor Engineering has presented to the Friant Power Authority a preliminary feasibility report on the Fish Release Power Plant. This small project appears to be feasible and can probably be constructed for under \$1,000,000 dollars. The plant should be able to generate an income of around of \$250,000 per year during the early years following construction. The only cloud hanging over the development of this project currently is the concern that the State Department of Fish and Game might place unreasonable requirements on the development of the plant.

The second power plant at the outlet to the Friant-Kern Canal will most likely be developed under a "turn-key" type approach by a large construction/engineering firm. A request for proposals is currently being developed by the Friant Power Authority staff.

The Southern California Edison Company is still cooperating very nicely with the Bechtel Engineering group in the development of a realistic price for the energy to be developed by the Granite Project. An independent financial analysis was prepared by the firm of Smith-Barney on the Granite Project. The Smith-Barney analysis was optimistic that the Granite Project could be successfully financed and deemed the project feasible.

The Third AC Intertie Project is also progressing well. The Southern San Joaquin Valley Power Authority recently submitted a request on behalf of the districts for the line capacity as required in the allocation process being performed by the Western Area Power Administration. Recent conversations with Pacific Gas & Electric Company and Southern California Edison Company have surfaced a desire by those companies to take-over whatever line capacity is allocated to the Power Authority and in return reduce the price for energy to the districts they serve in order to create an equivalent benefit. This concept would simplify the participation of the Power Authority in the construction and operation of the Third Intertie, however the net economic benefit derived could be considerably less.

Engineer-Manager Moss described for the Board the results of recent meetings of the Engineer-Managers of the Friant Water Users Association and the Bureau of Reclamation. Currently there is a draft of a contract for the operation and maintenance of the Friant-Kern Canal being reviewed. A draft of an agreement forming a joint power authority among the districts interested in

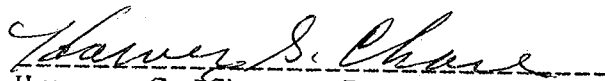
performing the operation and maintenance of the Friant-Kern Canal is also being circulated. The formation of this new joint powers authority is happening very quickly. It is anticipated that this authority will deal initially with just the operation and maintenance of the Friant-Kern Canal but would soon move into other areas. The other areas would include many of the functions of the Friant Water Users Association. The principle advantages to this type of organization would be the ability to fund a full time manager with no outside conflicts of interest and to be able to spread much of the organizational and administrative cost associated with having a full time staff to the fully reimbursable O&M function of the organization. The anticipated schedule for the take-over of the O&M for the Friant-Kern Canal is as follows:

- (1) Fall 1985 - Contract for Canal O&M in place
- (2) Winter 1985-86 - Run Parallel with existing USBR Staff
- (3) Spring 1986 - Full O&M Takeover

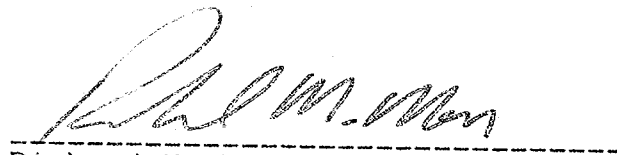
The Board then reviewed proposed criteria for the allocation of any additional firm yield that is available as a result of the Central Valley Project. This criteria is being developed for presentation to the Central Valley Project Water Association and hopefully to have effect on the allocation of any additional supply by the Bureau of Reclamation.

The Board reviewed an assembly bill as introduced and amended by Assembly Member Jim Costa concerning the management of ground water (AB #792.) This bill would authorize any local agency within designated areas of ground water overdraft to fix and collect fees for the extraction of ground water or to levy a water replenishment assessment, all being subject to approval of the voters of the agency. The Board tabled its review and development of a position on this bill to a future Board Meeting.

With no further business to discuss the Board Meeting was adjourned at 5:00 p.m.



Harvey S. Chase, President



Richard M. Moss, Secretary

Minutes of Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 14, 1985:

The meeting was called to order at 1:40 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
	Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary

The minutes of the Regular Meeting of the Board of Directors held on Wednesday, July 10, 1985, were approved as mailed on a motion by Director Ketscher, seconded by Director Beach. Motion carried.

Bills in the amount of \$87,418.16 were read, approved and ordered paid on a motion by Director McFarlin, seconded by Director Orlopp. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss.

Runoff for the San Joaquin River for the April-July period was 791,300 acre feet or 64 percent of normal. The August water year forecast shows 1,121,600 acre feet or runoff of 64 percent of normal. There does not appear to be a prorate problem as originally anticipated for the month of August. 100 percent of Class I and 5 percent of Class II water has been declared by the Bureau of Reclamation. The Bureau will only allow up to 3 percent of the Class II supply to be used in August. The District used a total of 7,771 acre feet for the month of July. This leaves a balance of a little over 17,000 acre feet for the remainder of the water season. The Board then reviewed a letter prepared by Engineer-Manager Moss sent to Tulare Irrigation District regarding a long term agreement for the exchange of water. No reply has been received from Tulare as of this date.

Engineer-Manager Moss summarized for the Board recent developments concerning the use of storage in Millerton Lake by the Bureau of Reclamation in the months of August, September and October. The Water Rights Permits held by the Bureau on the San Joaquin River do not allow for the increase in storage in Millerton Lake in these months. However, this criteria has virtually been ignored by the Bureau over the last forty years of actual operations. The Bureau is now concerned that this criteria will be enforced by the State Water Resources Control Board and apparently will take action to see that the criteria is met this coming fall. This could ultimately have an affect on the amount of carry-over water available for next year's Class I use. The Friant Water Users Association has appointed a committee of engineers and managers to look into the problem and see what can be done.

The status of the Third AC Intertie Project was then discussed. Engineer-Manager Moss noted that a preliminary allocation has been made by the Western Area Power Administration and the Southern San Joaquin Valley Power Authority received a total of 33 of the 50 mega watts allocated. This was considerably less than what was anticipated, however it is felt that the ultimate allocation to the Authority could be larger if some of the other alloties can not make full use of their allocation. An additional authorization for funding has been received by the District. On a motion by Director Beach, seconded by Director McFarlin, the Board authorized an expenditure of an additional \$2,000.00. This will be on call as needed. Motion carried.

The Kings River Siphon Hydro-Electric Project is moving ahead. Engineer-Manager Moss has been preparing the documents and information needed to satisfy the California Public Utilities Commission requirements to force P.G. & E. to sign the submitted Standard Offer Contract. On a motion by Director Ketscher, seconded by Director Beach, the Board retroactively approved the signing of a contract with Tudor Engineering Company for the preparation of the FERC Preliminary Permit and a re-analyzes of feasibility of the Kings River Siphon Project. Motion carried. On a motion by Director Orlopp, seconded by Director Beach, the Board authorized the submittal of the preliminary permit application to the FERC. Engineer-Manager Moss had received the tentative approval of both actions by polling the Board earlier in the month.

The Board then reviewed the status of the Friant Power Project. The Madera Plant is now on line. The River Outlet has been running since last Spring. The Friant Outlet Plant is due to be completed shortly. Unfortunately, the low water elevation in the reservoir prohibited the running of the Friant Power Plant at this time. Testing for this unit will need to be postponed until this Fall or the coming Spring when the elevation of the water in the reservoir is sufficient to complete the startup testing. The contractor is proposing to be completed and off the job by September 15th. The Fish Release Power Plant and the second unit at the Friant-Kern outlet are faced with similar milestone requirements as those being placed upon the Kings River Siphon Project in order to force P.G. & E. to counter-sign the Standard Offer Agreement. There does not appear to be anything lacking which would prohibit the signing of these power purchase agreements. A check has been received from the Friant Power Authority for approximately \$850.00 for the final disbursement of development monies that were left on hand with the Authority. A request for funds for the development of the Fish Release Project has been made. On a motion by Director McFarlin, seconded by Director Beach, the Board authorized the amount of \$1,250.00 for the development of the Fish Release Project. This amount will be on call as needed. Motion carried. The participation in the Fish Release Project will be on an equal basis for all the members of the Friant Power Authority.

The Board reviewed the status reports as prepared by the staff of the Upper San Joaquin River Water Power Authority and Bechtel Engineering concerning the development of the Granite Creek Hydro-Electric Project. There is little new to report, however the working relationship of the Southern Cal Edison Company and Bechtel Engineering appears to be good. It is hoped that the required level of interest in buying the power generated from the project will soon be indicated by the Edison Company and the financing of the development can continue.

Engineer-Manager Moss reported on the continuing effort to assume the operation & maintenance of the Friant-Kern Canal. The committee formed by the Friant Waters Users Association to look into the take-over of the operations & maintenance of the Friant-Kern Canal has come up with some further recommendations. It appears to be logical to eventually have the functions and services provided by the Friant Water Users Association incorporated into the abilities of the new Authority. The transfer of duties would occur over time with the authority being responsible solely for operations and maintenance in the earlier years. As that activity becomes routine the new staff then would assume some of the political functions currently addressed by the Association. Provisions will be made in the Joint Powers Agreement being formulated to allow for the districts to participate in the operation and maintenance of the canal and the political functioning now provided by the Association. The Board concurred in this expanded scope for the Authority.

The Board then reviewed the results of the meeting held earlier in the month with landowners in Improvement District #3A. Notes of this meeting and a questionnaire have been forwarded to the I.D. #3A landowners. The Board received a copy of this information also. The Board was impressed with the generally favorable response to proposals for the renewal of the I.D. #3A pipeline distribution system. A separate meeting attended by Engineer-Manager Moss with the County of Fresno resulted in the postponing of the renovation of Cove Avenue until the summer of 1987, a one year setback. This will ease the push to have the new pipeline installed prior to the road construction.

The relocation of the pipeline along South Avenue was then reviewed. The project appears still to be on track following a meeting with the City and the landowners involved in financing the project. The County of Fresno, who is acting as engineer for the project, is nearly completed with the plans and specifications. Construction is anticipated to begin this winter.

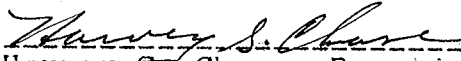
The Board then reviewed a proposal for computer software to perform the time, attendance and inventory functions for the District. This proposal is being made by the same company that prepared the majority of the Districts software to date, Boelter Computer Services. On a motion by Director McFarlin, seconded by Director Ketscher, the Board approved the contract for a price not to exceed \$3,475.00. Motion carried.

The Board then reviewed an agreement with the Bureau of Reclamation for the use of the Bear Mountain Repeater Site for the District's radio. The Bureau is asking for a sum of \$100.00 per year for reimbursement for the power consumed by the equipment. On a motion by Director Orlopp, seconded by Director Beach, the Board authorized Engineer-Manager Moss to sign the agreement with the Bureau of Reclamation. Motion carried.

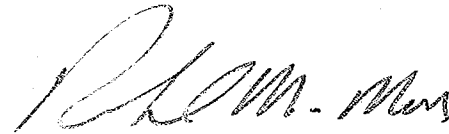
Engineer-Manager Moss handed out a preliminary budget for the Board's review. He noted that the price for electrical energy was held the same as the previous year and that generally a four percent overall increase in the cost of doing business has been included. The Board will make further review and finalize the budget at the next Board Meeting.

Under other business the Board reviewed the request by Engineer-Manager Moss to obtain an outside janitorial service to contract for the maintenance of the District's office building. The Board concurred in Moss's request and directed him to seek and secure the professional cleaning of the building.

With no further business to discuss the Board Meeting was adjourned at 4:20 p.m.



Harvey S. Chase, President



Richard M. Moss, Engineer-Manager

Minutes of Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, September 13, 1985:

The meeting was called to order at 1:40 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
	Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary

The minutes of the Regular Meeting of the Board of Directors held on Wednesday, August 14, 1985, were approved as mailed on a motion by Director Beach, seconded by Director McFarlin. Motion carried.

Bills in the amount of \$103,146.78 were read, approved and ordered paid on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss. Moss noted that in the improvement district maintenance breakdown that supervisory labor and supplies were applied to the improvement districts on a year-to-date basis. Prior reports did not show these two items which would normally have been added on at the end of the maintenance year. Also shown is the allocation of the Earthquake Relief money received by the District as the result of the Coalinga Earthquake. The money was applied to those improvement districts which had repairs that were accepted by the disaster relief agencies as having been caused by the 1984 Coalinga quake.

The runoff for the San Joaquin River for the 1985 Water Year is now projected to be 1,126,200 acre feet or 65% percent of normal. The Class II water supply has been increased to 9% with some restrictions as to when it can be used. This increase in supply as well as the use restrictions are as a direct result of the adherence of the Bureau to the new storage criteria for Millerton Lake. The additional water was declared in an effort to lower the reservoir level in the later part of September and early October to avoid an increase in storage. Water used in the District for the month of August was 7,047 acre feet. This leaves 10,291 acre feet for the remainder of this water year.

Mrs. Elizabeth Hidalgo and her son Chuck entered the meeting at 2:30 p.m. Engineer-Manager Moss and the Hidalgos explained to the Board the location and condition of a distribution pipeline for Improvement District 11B Ditch that runs through the Hidalgo property. The pipeline apparently is causing the Hidalgo's problems in that crossing it with heavy farm equipment has damaged it in the past and will probably continue to damage the pipeline. According to the Hidalgos this has become a major nuisance since they have decided to improve the property. The Board agreed with Engineer-Manager Moss's suggestion that the pipeline be relocated to the south end of the Hidalgo property or along the property line between the Hidalgo and the Romero property and the cost for this relocation be shared equally by the District and Hidalgo. The Hidalgos agreed that this would be an equitable solution to the problem. However, they are concerned that Romero might not be willing to locate all or part of the pipeline on his property. The Board directed Engineer-Manager Moss to work with the Hidalgos and Romero in an effort to attain an easement for the relocated pipeline. The Hidalgos left the meeting at 2:45 p.m.

The Board then took up discussion of the take-over of operations and maintenance of the Friant-Kern Canal by the Friant Water Users Authority. The Board reviewed the Joint Powers Agreement that has been drafted and circulated for approval of the member districts. Jim Sorensen, Secretary for the Friant Water Users Association then entered the meeting. Jim briefed the Board on his understanding of some of the elements the canal O&M take-over as well as some other issues facing the Friant Water Users. Mr. Sorensen left the meeting at approximately 3:30 p.m. Engineer-Manager Moss asked the Board to review the Joint Powers Agreement as proposed and to relay any comments that they might have. The agreement will be before the Board for authorization at the October Board Meeting. On a motion by Director Ketscher, seconded by Director Orlopp, the Board approved the continued financial participation of the District in the feasibility studies and legal work currently being carried on in anticipation of the canal take-over. The District share of this call for funds was \$658.24. Motion carried.

The regular meeting was recessed at 3:30 p.m. and the Board reconvened as the Board of Equalization. In that no persons elected to appear before the Board of Equalization, the Board reviewed and accepted the Assessment Book as prepared.

The hearing of the Board of Equalization was then adjourned and the Regular Meeting was reconvened. The Board then reviewed the proposed budget for 1986. On a motion by Director Ketscher, seconded by Director Beach the budget was approved as prepared. This budget calls for revenues of \$1,222,875.00 in the General Fund \$53,700.00 in the Equipment Replacement Fund and \$162,746.00 in the Special Project Fund. Motion carried. On a motion by Director Ketscher, seconded by Director McFarlin, a resolution fixing the amount and rate of assessment for 1986 was offered. Motion carried. (See Resolution 10-85). On a motion by Director Beach, seconded by Director Ketscher, a resolution setting the standby charge for 1986 was offered. Motion carried. (See Resolution 11-85).

The Board then discussed the recent meeting concerning the merger of the Orange Cove Irrigation District, Hills Valley Irrigation District and Tri-Valley Water District. The meeting was attended by Engineer-Manager Moss, President Chase and Vice President Ketscher as well as representatives from the other two districts. From this meeting it was gathered there are no major stumbling blocks as of yet that would prevent the consolidation of the districts. It was agreed by all that in order for this effort to be successful that there could not be any lessening of rights to water for any of the participating groups. It is the desire of all those involved that this effort result in a decreased cost and/or better service to all of the participants. One question that did arise out of the meeting was whether the Orange Cove Board would be willing to seek additional water at this time under its existing water service contract, for ultimate use on new lands coming into the District. The Board generally concurred with the concepts being promoted for consolidation and agreed that requesting additional water at this time might be of benefit. The Board directed Engineer-Manager Moss to proceed with this request. Staff of the three districts will be meeting shortly to develop a list of benefits and detractors concerning consolidation as well as possible costs involved.

The Board then turned its attention to review of the Kings River Siphon Project. The next step for development of this project is the filing of the FERC License and petition for water rights for the project. Tudor Engineering Company has agreed to prepare the FERC License Application on behalf of the District at a cost not to exceed \$7,500.00. This price does not include the cost of an extensive archaeological investigation, if one is needed. It is anticipated that archaeological concerns will be minimum. On a motion by Director Orlopp, seconded by Director Ketscher, the Board authorized the filing of the FERC License Application by Tudor Engineering Company on behalf of the District at a cost not to exceed \$7,500.00. Motion carried.

The Board then reviewed a request by the staff to purchase forks and brackets for the loader buckets on the backhoes. The forks will be used to facilitate the loading and unloading of pipe and palletized materials. The Board directed Engineer-Manager Moss to proceed with the purchase.

The Board then responded to the need to fill the two directorship vacancies for Divisions #3 and #5 of the District. There were no election papers taken out for either of the directorships. Both President Chase and Director Orlopp agreed to reappointment for another 4 year term as Director. On a motion by Director Ketscher, seconded by Director McFarlin, the Board authorized a resolution requesting the Board of Supervisors of Tulare County to appoint President Chase and Director Orlopp for another 4 year term. (See Resolution 12-85). Motion carried.

On a motion by Director Beach, seconded by Director McFarlin, the Board offered a resolution accepting the Collectors Deed for the Bumanglag and Miller properties. (See Resolution 13-85). Motion carried.

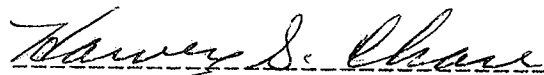
The Board then recessed to set as the Deferred Compensation Committee overseeing the District Deferred Compensation Plan. They attended to the request of Joe Martinez to make an emergency withdrawal of \$2,500.00 from his deferred compensation account. The emergency is as a result of the death of Joe's father and the expenses associated with his funeral. The Committee agreed to Mr. Martinez's request and directed Engineer-Manager Moss to complete the paper work necessary in order to effect a withdrawal from his Deferred Compensation account. The Regular Board Meeting then reconvened.

The item of attendance for the upcoming ACWA Convention in San Diego was then discussed. The Board directed Engineer-Manager Moss to make reservations for all Board members and their wives to attend the upcoming conference. Engineer-Manager Moss was also authorized to attend.

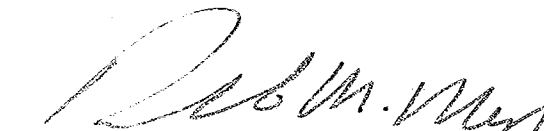
The ownership and maintenance responsibility of road crossings was then discussed. The Board instructed Engineer-Manager Moss that all road crossings supplying service to District farmers should remain the responsibility of the Irrigation District, regardless of whether the actional delivery structure is upstream or downstream of the road crossing. Also the District should be responsible for both halves of a typical delivery structure. The farmer's responsibility begins at the point where his line ties into the delivery structure or upon leaving the county right-of-way when a road crossing is involved.

The Board then attended to the request of the Upper San Joaquin River Water and Power Authority for an additional \$500.00 for the development of the Granite Project. On a motion by Director McFarlin, seconded Director Ketscher, the Board authorized this expense. Motion carried.

With no further business to discuss the Board Meeting was then adjourned at 5:00 p.m.



Harvey S. Chase, President



Richard M. Moss, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 9, 1985:

The meeting was called to order at 1:35 p.m. with the following Directors and Officers present:

Directors	Donald W. Ketscher, Vice President James O. Orlopp Stanley C. Beach Richard D. McFarlin
Absent	Harvey S. Chase, President
Others	Richard M. Moss, Engineer-Manager- Secretary Douglas B. Jensen, Attorney

The minutes of the Regular Meeting of the Board of Directors held on Friday, September 15, 1985, were approved as mailed on a motion by Director Orlopp, seconded by Director Beach. Motion carried.

Bills in the amount of \$94,140.82 were read, approved and ordered paid on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

The Monthly Report was presented by Engineer-Manager Moss. Moss noted that the Class II water supply has been increased from 9% to 10%. 3% of the Class II supply is still restricted to use before the end of October. The District used a total of 4,914 acre feet in the month of September. This leaves 5,377 acre feet for the balance of the irrigation season. Precipitation for this time is running considerably ahead of normal. Huntington Lake reports 2.1 inches of rainfall year-to-date with 1.29 inches being normal over the same period. Most long range forecasts have not yet been published.

The Board then turned their attention to a thorough review of the Joint Powers Agreement proposed for the Friant Water Users Authority. This is the organization being formed to handle operations and maintenance of the Friant-Kern Canal as well as the functions of the Friant Water Users Association, (at some future date). A resolution was offered by Director Orlopp which authorized the signing of the Friant Water Users Authority Joint Powers Agreement as well as the participation of the District as an "O&M Project Member" in the Authority. The resolution was seconded by Director McFarlin. Motion carried. (See Resolution 14-85). The Board then appointed President Chase as the District's representative to the new Authority Board of Directors and Engineer-Manager Moss to serve as Alternate.

Engineer-Manager Moss and Attorney Jensen then reviewed for the Board the points that could form the basis for an agreement for the consolidation of the Orange Cove Irrigation District with Hills Valley Irrigation District and Tri-Valley Water District. These points are as a result of recent meetings between representatives of these agencies. They were presented as follows:

1. There will be no decrease in the level of service to any existing landowner within a district. This means that the original landowner within each district will have first right or access to that district's supply currently under contract or any renegotiated amount develop as a result of the district's contract. The whole basis of this effort is one to integrate water supplies so as to bring more flexibility and enhanced availability of water for the entire Orange Cove area.

2. The status or condition of the delivery system for each district will not become a negotiating factor. This will result in system rehabilitation costs being charged to only those areas which directly benefit from the installation of the improved system. This will require the additional keeping of records for each area, similar to what is currently being done by Orange Cove Irrigation District for each of its improvement districts.
3. Operation costs will be charged on a per acre foot basis. Again similar to what is currently being done by Orange Cove Irrigation District. The cost of maintaining each district's water supply contract will be born by that district. Any transfer of water between the districts or landowners will require the approval of the Board of Directors.
4. Hills Valley Irrigation District and Tri-Valley Water District will be require to pay a "buy-in" charge. This charge will represent the current assets of the Orange Cove Irrigation District, including their participation in the various power projects under construction or development. An effort is currently under way to try and quantify this "buy-in" charge.

The potential advantages and disadvantages of consolidation for each district was reviewed. It is anticipated that this negotiating group will develop a document for each Board's review as to these points and the associated advantages and disadvantages for each district.

Vice President Ketscher left the meeting at 3:30 p.m.

Director Beach took the chair and moved the meeting into Executive Session to discuss personnel matters. The regular meeting then reconvened.


Engineer-Manager Moss reviewed for the Board his schedule for the development of the Kings River Siphon Project. Currently it is anticipated that construction will begin on the project around October of 1986, to be completed in March of 1987. There are numerous steps prior to beginning construction. The schedule outlined is ambitious yet still considered to be "do-able." The Board also reviewed an analysis prepared by Donald Salow, Feasibility Consultant for the Project. Salow's conclusions were similar to those of Tudor Engineering, finding the project solidly feasible.

Under other business, Engineer-Manager Moss informed the Board that rooms have been secured at the Glorietta Bay Inn in Coronado for the Fall ACWA Conference.

With no further business to discuss the Board Meeting was adjourned at 4:15 p.m.



 Harvey S. Chase, President



 Richard M. Moss, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 13, 1985:

The meeting was called to order at 1:35 p.m. with the following Directors and Officers present:

Directors	Donald W. Ketscher, Vice President James O. Orlopp Stanley C. Beach Richard D. McFarlin
Absent	Harvey S. Chase, President
Others	Richard M. Moss, Engineer-Manager-Secretary

The minutes of the Regular Meeting of the Board of Directors held on Wednesday October 9, 1985, were approved as mailed on a motion by Director Beach, seconded by Director McFarlin. Motion carried.

Bills in the amount of \$82,559.40 were read, approved and ordered by paid on a motion by Director Orlopp, seconded by Director McFarlin. Motion carried.

The Board reviewed the Monthly Report. Engineer-Manager Moss noted that the Assessment and Standby Statements were mailed and are now a receivable with approximately \$185,000.00 still outstanding. The District used a total of 2,887 acre feet for the month of October. This leaves a balance of 2,490 acre feet for the remainder of the water year. Water used to-date for the month of November is 728 acre feet. The precipitation has been far above normal for both the Orange Cove and Huntington Lake stations.

Engineer-Manager Moss then reviewed a letter he is proposing to send to all of the District's Water Users which asked if there is any desire to use water during the off season. This letter sets the date of November 30th as the date to notify the District if there is interest in this off season water. A commitment by the water user to pay for the water whether they use it or not and to also pay for all pumping costs involved will be required. The Board concurred with the mailing of this letter but noted that there would be probably be very little interest.

Engineer-Manager Moss then reviewed the status of the Kings River Siphon Hydroelectric Project. The District has received notice of the issuance of the Preliminary Permit for the project. Tudor Engineering mailed an information package to all potentially interested parties that might comment on the License Application. This is a required preliminary step towards filing the License Application. Engineer-Manager Moss then reviewed a proposal by Shearson Lehman Brothers, Inc. for financial advisor or underwriting services which they might supply for the Kings River Siphon Project. On a motion by Director McFarlin, seconded by Director Beach, Engineer-Manager Moss was authorized to begin negotiations with Shearson Lehman Brothers, Inc. in the development of an agreement for them to supply the financial advisor/underwriting services for the project. Motion carried.

The Board then reviewed the status of the Third AC Intertie Project. Recent meetings with Pacific Gas & Electric Company appear to be successfully leading to an arrangement where by the Authority would turn over its capacity in the Intertie Project to PG&E in exchange for a reduction in the Authority Member's electrical rates. PG&E appears to be committed towards making this concept work. The participation percentages of the member

districts of the Authority were then discussed. The percentages will dictate the sharing of the expenses as well as the sharing of benefits or revenues from this project. The basis for the development of these percentages is a combination of the individual district connected horse power, the energy use and the peak demand. The Board was in general agreement with this concept for allocating the benefits and costs. A call for funds of \$2,000.00 from each of the member districts has then been made by the Authority Board. On a motion by Director McFarlin, seconded by Director Beach, the Board approved the continued participation of the Orange Cove Irrigation District in the Third AC Intertie Project and the payment of \$2,000.00.

The Board then reviewed the activities surrounding the formation of the Friant Water Users Authority. The Authority held its formation meeting on the 21st of October, at which time they held an election of officers and approved an Interim Budget among other things. Bill Luton of Tulare I.D. was elected President. John Gilbert of Lower Tule River I.D. was elected Vice President. Harvey Chase was elected to the office of Secretary-Treasurer and Richard Moss was appointed to the position of Assistant Secretary-Treasurer. A schedule of activities and a budget to take the Authority through May of 1986 was approved. This budget estimated the total expense of the Authority at approximately \$103,000.00 over the next 8 months. A call for funds totaling \$35,000.00 was approved at the formation meeting as well. On a motion by Director Beach, seconded by Director McFarlin, the Orange Cove Irrigation District Board approved the payment of the Districts share of the \$35,000.00 call for funds (\$1,345.40).

Engineer-Manager Moss then reviewed for the Board his investigation into improving the delivery capability of the Improvement District No. 8 System in the vicinity of Filer Road. The improvements centered around the use of the reservoir that runs adjacent to the Filer Road, north of Avenue 450. This reservoir holds approximately 5 to 6 acre feet and could be used as a balancing reservoir for the Improvement District No. 8 System above the Sandcreek pumping plant. This investigation is as a result of a request by the landowners of the property annexed to the District in 1975. "The as available" capacity of the Improvement District No. 8 System will not support the planned development for this annexed acreage. The Board directed Engineer-Manager Moss to continue with his investigations into these improvements.

Engineer-Manager Moss then noted that the pipeline in Improvement District No. 3 known as the Matsumoto pipeline is currently under construction. The District has received the signed easement for the relocation of the pipeline from Lake Farm Partners. On a motion by Director Beach, seconded by Director Orlopp, the Board accepted the easement from Lake Farm Partners and ordered the Secretary to have the easement recorded with the County of Fresno. Motion carried.

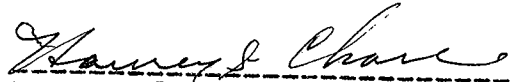
The Board then reviewed a draft of the Investment Policy by which the Districts funds should be invested. Currently the only investments authorized by the Board are through the Local Agency Investment Fund and Certificates of Deposits with Security Pacific National Bank. On a motion by Director McFarlin, seconded by Director Orlopp, this Investment Policy was ratified. Motion carried.

Engineer-Manager Moss noted that the Bureau of Reclamation's Western Regional Water Users Conference is slated for the latter part of January at Reno, Nevada. The Board made no commitment as to who would attend, tabling this item for the December Board Meeting.

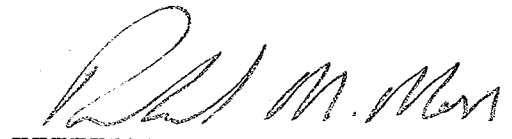
Reservations have been made for all of the Directors, the Manager and their wives for the ACWA Conference in San Diego in December. The Board all indicated they still plan to attend, however they would like to confirm their plans prior to the conference.

The recently adopted By-Laws of the Central Valley Project Water Association require the nomination of a representative to the Board of Directors of the Association and Alternates. On a motion by Director McFarlin, seconded by Director Beach, the Board appointed Harvey Chase to be the representative to the Board of Directors of the Central Valley Project Water Association and Richard Moss to be his Alternate. Motion carried.

With no further business to discuss the Board Meeting was adjourned at 4:00 P.M.



Harvey S. Chase, President



Richard M. Moss, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, December 11, 1985:

The meeting was called to order at 1:45 p.m. with the following Directors and Officers present:

Directors	Harvey S. Chase, President
	Donald W. Ketscher, Vice President
	James O. Orlopp
	Stanley C. Beach
	Richard D. McFarlin
Others	Richard M. Moss, Engineer-Manager-Secretary

The minutes of the Regular Meeting of the Board of Directors held on Wednesday, November 13, 1985, were approved as mailed on a motion by Director Beach, seconded by Director McFarlin. Motion carried.

Bills in the amount of \$56,133.04 were read, approved and ordered paid on a motion by Director Ketscher, seconded by Director Orlopp. Motion carried.

The Board reviewed the Monthly Report. It was noted that the maintenance charge values shown were close to those that will be used for billing at the end of December. Approximately one-half of a month remains until the maintenance year is complete. The majority of the recent storms appear to be adding to the snow pack since very little water is coming off as excess runoff in the San Joaquin River. Currently the snow pillow readings show 45 to 50 percent of April 1st average. Actual measurements by snow survey have not been done to verify these figures. Engineer-Manager Moss noted that he felt that a full Class I water supply was on the ground in the watershed already.

The Board discussed the water supply remaining from the 1985 water year. 1,757 acre feet is currently on balance for the Orange Cove Irrigation District. There was very little response to Moss's letter for the "off-season" water. On a motion by Director Orlopp, seconded by Director Beach, the Board authorized Engineer-Manager Moss to sell the balance of 1,757 acre feet to another long term contractor. Moss noted that there might be a need for this water in testing the power plant on the Friant Kern Outlet of the Friant Power Project. The Board indicated that they had no problem in using the water for this purpose as long as the District was made whole for the cost of this water. Motion carried.

The Board reviewed the proposed activities of the Friant Water Users Association for the coming year. Of particular concern to the Board was the roll the Association wants to play in the renegotiation of the District's Water Supply Contract with the United States. While the Board appreciates the interest and concern on the part of the Association, the point needs to be made that the negotiations for the Orange Cove Irrigation District will be handled by the District's Directors and staff and not as an Association function. The Board also clarified its position in regard to the relationship between the Association and the Friant Water Users Authority. While it is anticipated that the Authority will take over the political functions served by the Association, to do it in the immediate near future would be premature. The Authority will have more than enough to do in performing the operation and maintenance activities during the next year or two years. The Association needs to be actively involved in a number of areas. Specifically it was noted that the water rights related activities on the San Joaquin River need the lions share of attention from the Association. The Board further discussed the steps leading to the beginning of negotiations with the Bureau for a new water supply contract. It

was observed that while the District has some unique needs in terms of water supply, that it would make considerable sense to join with other principally Class I Districts in the sharing of legal expenses and expertise while preparing for the negotiations. In particular to join with the Lindsay-Strathmore, Terra Bella and Lindmore Irrigation Districts in the initial efforts. These Districts are currently represented by Minasian Firm of Oroville. The Board has been favorably impressed by the Minasian Firm in their handling of the legal needs for the Kings River Siphon Hydroelectric Project as well as the negotiations on behalf of the Friant Power Authority with Pacific Gas & Electric Co. The Board directed Engineer-Manager Moss to seek assistance from the Minasian Firm for the purpose of assisting the District in the renegotiation of District's water supply contract. Moss should also thoroughly analyze the potential for any conflicts or concerns which might arise out of the sharing of these resources.

Engineer-Manager Moss reviewed for the Board the status of the power projects. The Friant Project is awaiting performance testing. The prime contractor has nearly completed all of the clean up items other than the testing. It is anticipated that there will be sufficient water and head available at the reservoir in the latter part of January to do enough testing so as to make the machinery at the Friant Kern Outlet commercially operable for the expected flow range in February, March and April. A second series of test in the higher flow ranges would be performed in April or May if the water and head is available. The Friant Power Authority has settled on two developers to perform the feasibility studies for the development of the Friant Kern Outlet No. 2 Power Plant. Bechtel and R.W. Beck have been selected to perform independent feasibility studies. Both firms either have the capacity to perform as a "turn-key" developer or have aligned themselves with other companies so as to be able to offer "turn-key" development of the project. This will allow the Authority, upon final selection, to work with one firm in the complete design, financing and construction of the project. The results of the feasibility studies and selection of the developer are anticipated for late February or early March.

Recent meetings on the Granite Project with the Southern California Edison Company and Bechtel Engineering are leading to a higher degree of optimism on the part of the Granite Project Members. Edison has agreed to the sharing of information in an effort to fully understand the effect of the Granite Project on their Big Creek Expansion Project. It is anticipated that the Granite Project could enhance the benefits of the Big Creek Expansion Project significantly. The fact that Edison Company is willing to work with the Authority is also of significant interest.

The Third AC Intertie Project or the California-Oregon Transmission Project continues to move ahead. Recent meetings with Pacific Gas & Electric Company have resulted in offers and counter offers in an attempt to develop an agreement for P.G. & E. to use the Southern San Joaquin Valley Power Authority Intertie capacity in exchange for the "net equivalent benefits" if P.G. & E. were to actually wheel the power to the Authority. The Authority is entering into a period of increase cost as they pay "catch-up" assessment in becoming participants in the project. The December 20th Board Meeting of the Authority will outline the expenses anticipated for the next year and a half as well as supply an over-view of the potential for success of the project.

Engineer-Manager Moss updated the Board on the Kings River Siphon Hydroelectric Project. The FERC License is in the process of being filed by Tudor Engineering with the pre-consultation phase currently in progress. No troublesome comments have been received as of this date. The next step in the development of the project is the filing of the Water Rights Application with the State Water Resources Control Board. On a motion by Director Ketcher, seconded by Director Beach, the Board authorized Engineer-Manager Moss to secure any engineering required to file for the water rights and for Attorney Minasian to prepare the Application and submit it to the State Water Resources Control Board. Motion carried. (See Resolution 15-85)

An agenda for the Bureau of Reclamation's Regional Water Users Conference was reviewed. The Board authorized Engineer-Manager Moss to attend the conference in Reno, Nevada in January.

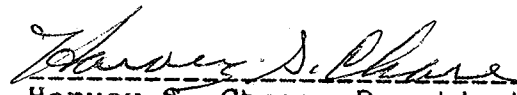
Engineer-Manager Moss noted that Martin Luther King Day has been declared a National Holiday. The Board authorized Moss to extend the option to the District's employees to have Martin Luther King Day as one of their paid Holidays in exchange for one of the other holidays currently paid by the District.

Engineer-Manager Moss reviewed the capability of some computer software available for word processing and mass mailings. On a motion by Director Ketscher, seconded by Director McFarlin, the Board authorized the purchase of this software at a cost not to exceed \$600.00. Motion carried.

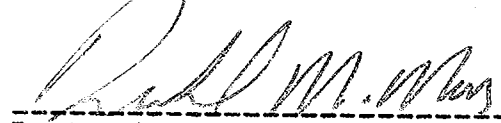
The Board reviewed the Consumer Price Index in consideration of a cost-of-living raise for the District's employees. It was decided that there will be no cost of living increase this year since little inflation has occurred over the considered 12 month period.

The Board then reviewed the District's membership on various committees of ACWA. They authorized the continued participation of Harvey Chase on the Ag Water Committee.

With no further business to discussed the meeting was adjourned at 3:35 p.m.



Harvey S. Chase, President



Richard M. Moss, Secretary

