

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 13, 1988.

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
	Stanley C. Beach
	Richard D. McFarlin
	James O. Orlopp
Officers:	James C. Chandler
	Engineer-Manager-Secretary

Minutes of the Regular Meeting held on Wednesday, December 9, 1987 were approved as mailed on a motion by Director Orlopp, seconded by Director Ketscher. Motion carried.

Bills in the amount of \$78,878.33 were read, approved and ordered paid on a motion by Director Ketscher, seconded by Director Beach. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$936,000 earning interest at 7.98 percent. Then, the water carryover was discussed since the District ended the year with 7,980 acre feet. The long range projections were for a less than normal water supply for 1988 and the Bureau indicated that they would permit carryover in the Friant Unit. The Board elected to hold the water for carryover. The year end maintenance for each improvement district was then reviewed. The average maintenance cost District wide was \$10.94 per acre for 1987.

A progress report for Cove Avenue was then presented. The first progress payment from Fresno County had been received which was 90 percent of the County's reimbursement for system relocation work. Also, a progress payment to Kaweah Construction Company for the Pumping Plant contract was approved on a motion by Director Beach, seconded by Director McFarlin. Motion carried. Also, it was noted that the pipe material was to be delivered January 20th. Installation of the pipeline would start immediately following delivery with weather permitting.

A maintenance problem along Central Avenue in Improvement District 3 was then discussed. Leaks continued to occur in the heavy clay soils and were costing \$8,000 to \$10,000 annually for repairs. On a motion by Director Ketscher, seconded by Director McFarlin, \$20,000 was approved for replacement in lieu of repair for 2,000 feet of pipeline. Motion carried.

Under "Power Projects", Engineer-Manager Chandler reviewed in detail the latest draft of the development agreement between the District and the Kings River Syphon Hydropower partnership.

After the review and discussion, the Board felt the agreement was very close to the terms and conditions the District wanted for private development of this project. The Board wanted to strengthen the District's position regarding security interest by the project financier and assurances for conformity with the Bureau Agreement and the FERC License. On a motion by Director Ketscher, seconded by Director McFarlin, the agreement was approved contingent upon the developer accepting the District final terms for the aforementioned items. Motion carried.

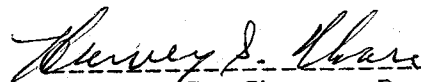
Engineer-Manager Chandler then reviewed potential earnings from the Fish Release and Friant Unit 2 under the development proposal by Bechtel. This review was made for the Board to evaluate its position of developing these projects. Even though the revenues would be small and delayed for several years to pay for the developments, the Board supported the development of these projects.

A letter from Baker, Peterson and Franklin was then reviewed concerning the terms and conditions for the 1987 audit. After discussion, a motion was made by Director Beach, seconded by Director Ketscher, approving the letter agreement for the audit. Motion carried.

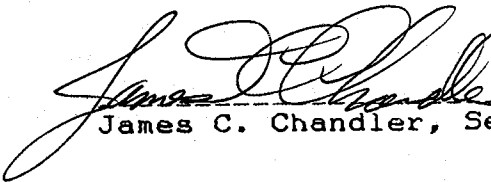
A letter from ACWA was then reviewed which requested financial support for a Joint Water Quality Task Force. After discussion, the Board felt the Task Force should be supported. On a motion by Director Orlopp, seconded by Director Ketscher, financial support of the Task Force was approved. Motion carried.

Under Announcements, it was noted that the 21st Annual Water Users' Conference was being held in Visalia, January 20-22, 1988. Also, the Ground Water Summary published by the Bureau of Reclamation showed a water elevation drop averaging about twelve feet in the District in 1987 due to the additional pumping associated with the water short year.

With no further business to discuss, the Board Meeting was adjourned at 3:45 P.M.



Harvey S. Chase, President



James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 10, 1988.

The Meeting was called to order at 1:30 P.M. with the following Directors and Officers present:

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

Minutes of the Regular Meeting held on Wednesday, January 13, 1988 were approved as mailed on a motion by Director Orlopp, seconded by Director Beach. Motion carried.

Bills in the amount of \$249,472.81 were read, approved and ordered paid on a motion by Director McFarlin, seconded by Director Ketscher. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$1,091,000 earning interest at 8.08 percent. The water supply at the end of the 1987 water season was 7,980 acre feet. Since the Bureau had declared a 100 percent Class I water supply, in place, for 1988, the Board directed Engineer-Manager Chandler to sell the 1987 balance.

Under "Other Items", Engineer-Manager Chandler requested the Board to hear a letter from Russell Katayama regarding excluding land from the District and a discussion on the benefits of having a CIMIS Weather Station within the District. On a motion by Director McFarlin, seconded by Director Beach, the Board agreed to hear these matters. Motion carried.

After review of the letter from Russell Katayama and additional information from Director Orlopp, a motion was made by Director Beach, seconded by Director Orlopp, to permit the exclusion of this parcel. Motion carried.

Regarding the CIMIS Weather Station, Engineer-Manager Chandler explained the benefits and cost associated with establishing the station. The Department of Water Resources (DWR) would maintain the station after installation. Also, DWR would place a computer in the District office to help disseminate crop water use information. The Board felt the CIMIS station would be beneficial to the water users and directed Engineer-Manager Chandler to try to get additional financial support for the initial installation.

Under "Cove Avenue Project", Engineer-Manager Chandler gave a progress report on the construction activities and presented progress pay estimates for Board approval. The progress payment

to Kaweah Construction Company was \$2,089.06 for the Pumping Plant and the payment to Beaver Construction Company was \$97,772.43 for the Cove Avenue Pipeline. On a motion by Director McFarlin, seconded by Director Ketscher, the progress payments were approved. Motion carried. It was also noted that \$39,082.57 was used from District reserves to make this progress payment. Also, there had been questions raised by First Continental Financial Corporation as to the tax exempt status of the 3A landowners under the new Tax Laws. Attorney Doug Jensen is trying to resolve these issues.

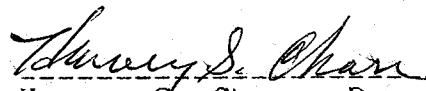
Under "Power Projects", it was reported that the Developer, Kings River Syphon Hydropower, was working on the final arrangements of their project financing for the Kings River Siphon project. Orders for the generating equipment had been made.

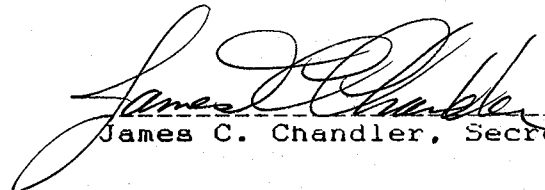
A "Call for Funds", by the Southern San Joaquin Valley Power Authority was made for the amount of \$725.00. On a motion by Director Orlopp, seconded by Director McFarlin, approval of the fund was made. Motion carried.

Engineer-Manager Chandler then discussed the efforts being made to get the Water Supply Contract renewed with the Bureau of Reclamation prior to the 1989 water season. No response had been received from the Bureau in regards to President Harvey Chase's letter requesting renewal of the contract. The Friant Water Users Authority was attempting to hire a lobbyist in Washington D. C. to try to find out why the Bureau is delaying the renewal issue. Richard Moss and Bill Luton from Friant Water Users Authority and Engineer-Manager Chandler met with Hal Furman with the firm of Heron, Burchette, Ruckert and Rothwell to discuss these issues. Mr. Furman agreed to assist with the renewal matter by first trying to find out what the Bureau's position is and how serious this issue may be. He Then would help formulate strategy to push for the contract renewals.

Under "Equipment Needs", a discussion was held regarding the need for two new 2 inch portable pumps and three bids to supply the pumps. On a motion by Director Ketscher, seconded by Director Beach, purchase of the pumps from the low bidder, Dinuba Firestone, was approved. Motion carried.

With no further business to discuss, the Board meeting was adjourned at 2:50 P.M.

  
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 Harvey S. Chase, President

  
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 James C. Chandler, Secretary

Minutes of the Special Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, March 21, 1988.

The Meeting was called to order at 1:40 P.M. with the following Directors and Officers present:

Directors: Harvey S. Chase, President  
D.W. Ketcher, Vice-President  
Stanley C. Beach, Director  
Richard McFarlin, Director  
James Orlopp, Director

Officers: James C. Chandler  
Engineer-Manager-Secretary  
  
Douglas B. Jensen  
Attorney

Others: Representatives for the Silva Property:

Mr. Robert Wright, Attorney  
Mr. Charles Puckett, Appraiser  
Mr. Robert Lamas  
Ms. Arlene Lamas  
Ms. Eleanor Homa

Attorney Jensen explained the purpose of the meeting including the District's need for a parcel of land owned by Mr. Manuel Silva and other members of his family. Engineer-Manager Chandler then reviewed the need for a regulating reservoir and the reason for selecting this particular location to construct the reservoir.

Ms. Arlene Lamas then read a statement to the Board of Directors saying they were private property owners and felt they should be paid a fair market value for their property. She stated that they did not consider the appraisal for Orange Cove Irrigation District to represent a fair market value for the property to be taken.

Considerable discussion then took place regarding the value of the property. Attorney Jensen again emphasized that the purpose of the meeting was to consider the Resolution of Necessity.

The Board recessed at 2:50 P.M. for an executive session. The Board reconvened the open session at 3:10 P.M..

Attorney Jensen then asked if there was any objection to the Resolution of Necessity. Attorney Wright objected on the basis of the District appraisal. Attorney Jensen explained the basis of the District's appraisal. Then, Director McFarlin made a motion to approve the Resolution of Necessity, seconded by Director Beach. Motion carried.

Attorney Jensen then informed the Silva representatives that the District had authorized an offer of \$3,000.00 per acre for a total of \$9,450.00 to settle the property procurement. Attorney Wright said that they would discuss the offer with Manuel Silva and other family members and return an answer to Attorney Jensen the following day.

With no further business to discuss, the Board Meeting was adjourned at 3:25 P.M..

*Harvey S. Chase*

Harvey S. Chase President

*James C. Chandler*

James C. Chandler, 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, 1988 at 1:30 P.M. for the purpose to discuss and/or adopt the following items:

1. Resolution of Necessity for the Condemnation of Certain Property.
2. Proposed agreement between Orange Cove Irrigation District and the City of Orange Cove regarding Orange Cove Irrigation District's usage of City of Orange Cove waste water.

Dated this 21st day of March, 1988.

Directors

James S. Chapman  
James O. Chapman  
Stanley C. Beagch  
Robert M. Foli  
Gene Ketscher

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, 1988 at 1:30 P.M. for the purpose to discuss and/or adopt the following items:

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2. Proposed agreement between Orange Cove Irrigation District and the City of Orange Cove regarding Orange Cove Irrigation District's usage of City of Orange Cove waste water.

Dated this 21st day of March, 1988.

Directors

James S. Chapman  
James O. Chapman  
Stanley C. Beagch  
Robert M. Foli  
Gene Ketscher

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, March 9, 1988.

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 Stanley C. Beach Richard D. McFarlin James O. Orlopp
Officers:	James C. Chandler, Engineer-Manager-Secretary Douglas B. Jensen, Attorney

Minutes of the Regular Meeting held on Wednesday, February 10, 1988 were approved as mailed on a motion by Director McFarlin, seconded by Director Orlopp. Motion carried.

Bills in the amount of \$196,405.38 were read, approved and ordered paid on a motion by Director Ketscher, seconded by Director McFarlin. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$1,264,000 earning interest at 8.04 percent. The 7,980 acre feet of 1987 carryover water was sold to Tulare Irrigation District and Lower Tule River Irrigation District in equal amounts at the estimated full O&M cost rate of \$6.70 per acre foot. The cost will be adjusted to the actual O&M cost at the end of the 1988 season.

Engineer-Manager Chandler then gave a status report on the construction activities on the Cove Avenue Project and presented progress payments for approval for the amount of \$92,363.18 for the pipeline and \$45,106.20 for the pumping plant. On a motion by Director McFarlin, seconded by Director Beach, the progress payments were approved. Motion carried.

At 2:15 P.M. the Board recessed the Regular Meeting for an executive session to discuss the condemnation proceedings for the Silva Property and personnel matters.

The Board returned to the open session at 2:35 P.M.

The Board then directed Engineer-Manager Chandler to call a special meeting for March 21, 1988 to hear and reconsider the Resolution of Necessity for the Silva Property.

Engineer-Manager Chandler then discussed the problem encountered with the attempt to get tax exempt financing for the Cove Avenue Project. First Continental Financial Corporation questioned the tax exempt status under the new tax law because of the number of land holdings and with three ownerships in excess of 10 percent of the acreage in I.D. 3A. Attorney Jensen informed the Board that he reviewed this matter with Bond Counsel and that Counsel had confirmed that this condition was a "gray" area in the new law. Director Ketscher suggested that we talk to Wells Fargo Bank and that he would have a representative of the bank contact the District.

Under Power Projects, Engineer-Manager Chandler gave a status report on the Kings River Siphon Project. Then, the Bechtel Plan for development of the Friant Unit #2 and the Fish Release Project for the Friant Power Authority was discussed. The schedule to construct and install equipment was critically close to PG&E's deadline to take advantage of their Standard Offer #4 Contract. Coupled with the projected revenues, the project does not appear to be highly desirable. However, Bechtel requested an opportunity to review the project with the Friant Power Authority Board on March 11, 1988 prior to any final decisions being made by individual district on whether or not to support the project. The Board agreed to defer a decision on this project.

Under the Southern San Joaquin Valley Power Authority, Engineer-Manager Chandler reviewed a request from the Authority for written support for the Third Intertie Project by Orange Cove. On a motion by Director Beach, seconded by Directors McFarlin, support of the project was approved. Motion carried.

Under Water Supply contract, Engineer-Manager Chandler discussed the efforts being made by Hal Furman to determine why the contract renewal for Orange Cove was taking so long. Mr. Furman had met with Under Secretary Ziglar, Commissioner Duvall and other members of the Bureau Staff. When Mr. Furman explained the situation, Mr. Ziglar was very upset over the fact that the Orange Cove contract was not finalized one year prior to the end of the existing contract. Mr. Furman also had questioned the Bureau about their decision to do an environmental assessment for contract renewal especially when the policy clearly exempted contract renewal from the National Environmental Policy Act (NEPA) requirements. Mr. Furman said that from the conversations, a lot of the direction by the Bureau is being set by Mr. Houston at the Bureau's Regional Office in Sacramento. Mr. Furman wanted to talk to Mr. Houston before any further action is taken by the District.

A letter from the Central Valley Project Water Association was then discussed. The letter disclosed the intention to establish a full time Association office in Sacramento and the 1988 Budget. Also, a call for funds for payment of annual dues in the amount of \$3,100.00 and the Delta Hearing Special Assessment for \$1,960.00 was made. On a motion by Director McFarlin, seconded by Director Orlopp, the dues payment was approved. On a motion by Director Beach, seconded by Director Ketscher, the Special Assessment was approved.

Under Personnel Matters, discussion on the firing and appeal of maintenance employee Richard Hayes continued. After discussion, Director Beach made a motion, seconded by Director Orlopp, to deny Mr. Hayes appeal. Motion carried.

With no further business to discuss, the Board meeting was adjourned at 4:10 P.M..

*Harvey S. Chase*

Harvey S. Chase, President

*James C. Chandler*

James C. Chandler, Secretary



Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 13, 1988.

The Meeting was called to order at 1:35 P.M. with following Directors and Officers present:

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

Minutes of the Regular Meeting held on Wednesday, March 9, 1988 and Special Meeting held on Monday, March 21, 1988 were approved as mailed on a motion by Director Beach, seconded by Director Orlopp. Motion carried.

Bills in the amount of \$154,188.90 were read, approved and ordered paid on a motion by Director McFarlin, seconded by Director Ketscher. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$1,159,000 earning interest at 8.00 percent. Engineer-Manager Chandler then informed the Board that the Bureau had lower their water supply declaration to 70 percent for Class I water. Due to this drastic reduction in supply, requests were made to Lower Tule River and Tulare Irrigation District to buy back at least 2,000 acre feet from each District. It probably will be May or perhaps later before these Districts will make a decision on this matter. The District shut off all water to second-right acreage April 8th.

Under "Other Items", the Board was asked to hear and take action on a call for funds by the Southern San Joaquin Valley Power Authority. On a motion by Director McFarlin, seconded by Director Beach, approval to hear the matter was authorized. The call for funds for \$725 was then presented. On a motion by Director Beach, seconded by Director McFarlin, payment of the call for funds was authorized. Motion carried.

Under "Public Input", Mr. Allan Corrin came before the Board to request urgent completion of the hydraulic calculation for pipeline alternatives to his Drum Valley Ranches. Engineer-Manager Chandler explained to Mr. Corrin that the calculations were being held up only because the District had not been able to run the profile survey in a timely manner.

Engineer-Manager Chandler then gave a status report on the Cove Avenue project and presented progress payments for approval for the amounts of \$63,035.79 for the pipeline and \$17,367.68 for the pumping plant. On a motion by Director Ketscher, seconded by Director Orlopp, the progress payments were approved. Motion carried.

A progress report was then given on the Silva property condemnation. Of particular concern was the fact that the District was unable to start the reservoir construction even though the District supposedly had the right of possession of the land. Silva's attorney had taken the position that the District did not have a valid right of possession which now would require a court determination on this issue. Therefore, the District elected to wait until after the May hearing before attempting construction.

Engineer-Manager Chandler then discussed two financial proposals received from Wells Fargo Bank to finance the Cove Avenue Project. Of the two, the lease-purchase proposal was most desirable, therefore, it was agreed that an advisory committee meeting would be called to present that proposal.

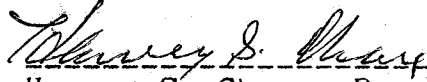
Engineer-Manager Chandler then gave a status report on the efforts to renew the District's Water Supply contract. Hal Furman had made several attempts to discuss this issue with the Bureau's Regional Director Houston. Mr. Furman reported that Mr. Houston would not return his phone calls. Therefore, he suggested the District and representatives of the Friant Water Users Authority meet with Mr. Houston as soon as possible to determine the position being taken by the Bureau. Then, an amendment to the existing contract, containing language for the right to renew the contract, was presented to the Board. On a motion by Director McFarlin, seconded by Director Beach, the amendment was approved. Motion carried. (Resolution 1A-88)

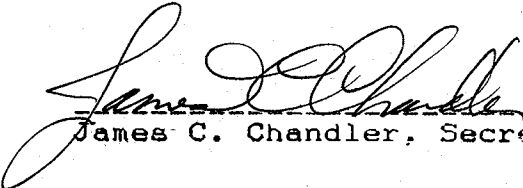
Engineer-Manager Chandler then discussed two issues arising under the District's water allocation policy. The first dealt with ownership verses control of property for water allocation and distribution. After discussion, the Board agreed that the total water allocation would be the per acre amount allocated to the acreage owned and operated by the individual if purchased on or before February 25th. The distribution of the supply is the responsibility of the owner/operator and not the District. The other issue involved carryover water by individual growers. After discussion, it was decided that the administration of such a program would be too complex and would possibly have negative effects in water short years.

A call for funds for the Friant Water Users Authority for the amount of \$1,967.88 was then presented to the Board. On a motion by Director Orlopp, seconded by Director Ketscher, payment for the call for funds was authorized. Motion carried.

Because of a scheduling conflict with ACWA Convention, the Board Meeting for May was changed from its regular date to May 6, 1988, 1:30 P.M.

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

  
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 Harvey S. Chase, President

  
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 James C. Chandler, Secretary

Minutes of the Special Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, April 22, 1988.

The Meeting was called to order at 1:40 P.M with the following Directors and Officers present:

Directors: Harvey S. Chase, President  
D.W. Ketscher, Vice President  
Stanley C. Beach, Director  
Richard D. McFarlin, Director  
James O. Orlopp, Director

Officers: James C. Chandler,  
Engineer-Manager-Secretary

Others: Mr. Al Puente,  
City of Orange Cove  
Mr. Chris Chalfant,  
Regional Water Quality Control Board  
Mr. Gary McCulloch,  
John Carollo Engineers  
Ms. Betsy Lichti,  
Environmental Health Services  
Public Water Supply

Engineer-Manager Chandler explained that the purpose of the meeting was for representatives for the City of Orange Cove to present their latest proposal to reclaim sewer water for agricultural use. Mr. Al Puente stated that the City had reassessed their position after the District refused to take the water unless it was treated to "Spray Water" standard under Title 22. The City was now looking at this alternative and would like some assurance from the Board that the water would be taken by the District.

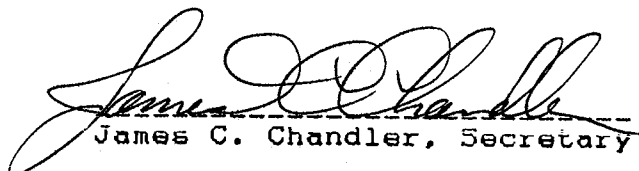
Mr. Gary McCulloch, John Carollo Engineers, presented the plan to treat and store water for use by the District.

Mr. Chris Chalfant, Regional Water Quality Control Board, then presented the water standard and the testing procedure that would be required for compliance with the standard. Then Ms. Betsy Lichti, Environmental Health Services, discussed the types of monitoring equipment they felt should be installed to monitor and alarm for any malfunctions in turbidity and chlorination at the plant. Ms. Lichti stated that this equipment may be optional but is strongly recommended for the treatment standard required.

After discussion, the Board emphasized that if the treatment plant was built and maintained to reclaim water to the standard discussed, the District would take and use the reclaimed water during the normal water delivery season.

With no further business to discuss, the Board Meeting was adjourned at 2:30 P.M.

  
Harvey S. Chase, President

  
James C. Chandler, 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 April 22, 1988 at 1:30 P.M. for the purpose to discuss the following item:

1. To consider the acceptance of reclaimed water from the City of Orange Cove for use as irrigation water.

Dated this 22nd day of April, 1988.

Directors

Raymond S. Chase  
Stanley C. Begeal  
Ralph McFolli  
James A. Lopp  
Don Hatcher

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 April 22, 1988 at 1:30 P.M. for the purpose to discuss the following item:

1. To consider the acceptance of reclaimed water from the City of Orange Cove for use as irrigation water.

Dated this 22nd day of April, 1988.

Directors

Raymond S. Chase  
Stanley C. Begeal  
Ralph McFolli  
James A. Lopp  
Don Hatcher

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, May 6, 1988.

The Meeting was called to order at 1:05 P.M. with the following Directors and Officers present:

Directors:

Harvey S. Chase, President  
Donald W. Ketscher, Vice President  
Stanley C. Beach

Officers:

Jamea O. Orlopp  
Jamea C. Chandler,  
Engineer-Manager-Secretary  
John B. Smith, Attorney

Minutes of the Regular Meeting held on Wednesday, April 13, 1988 and Special Meeting held on Friday, April 22, 1988 were approved as mailed on a motion by Director Beach and seconded by Director Orlopp. Motion carried.

Bills in the amount of \$92,009.73 were read, approved and ordered paid on a motion by Director Orlopp, seconded by Director Beach. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$1,019,000 earning interest at 7.92 percent. Engineer-Manager Chandler then informed the Board that the Bureau had raised their water supply declaration from 70 to 75 percent for Class I water. The new declaration would give the District 29,400 acre feet for the 1988 water year.

Under "Public Input", Mr. Allan Corrin and Mr. Andy Mitchell came before the Board and requested that more water be delivered to the Drum Valley acreage above Filer Road in I.D. 8. Engineer-Manager Chandler explained the limitations on the existing system. One alternative which had been proposed in the past was to install a new lift pump between Sand Creek pump station and Filer Road. In addition, the pump serving Drum Valley I would have to be enlarged to serve the requested flow. Mr. Corrin then offered to pay one-half of the cost to install the lift pump below Filer Road if the District would pay the remaining cost plus enlarge the pump serving Drum Valley I. Engineer-Manager Chandler suggested that this proposal be evaluated and specific details brought to the June Board Meeting. This was acceptable by the Board and Mr. Corrin.

Engineer-Manager Chandler then gave a status report on the Cove Avenue Project. The Pumping Plant Contract was complete except for the final acceptance of the 100 Hp pump. Also, the Pipeline Contract was completed except for the final acceptance of the upper one-third for compliance with the leak test requirements. Authorization to pay the retention money for these contracts was requested contingent upon satisfactory completion of the items noted. On a motion by Director Beach, seconded by Director Ketscher, authorization to pay the retention money upon completion was given. Motion carried.

Attorney John Smith then gave a review of the condemnation efforts for the Silva property. Attorney John Smith informed the Board that the Judge dismissed the proceedings because of the sequential technicality associated with the formal offer to buy the land. After further discussion regarding the justification for buying the land, the Board directed Engineer-Manager Chandler and Attorney John Smith to renew the condemnation efforts.

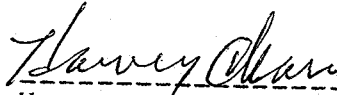
Engineer-Manager Chandler then requested authorization to transfer for payment the Cove Avenue landowner's share of the Special Project Fund. The Cove Avenue landowner's share would amount to about \$16.00 per acre. On a motion by Director Ketscher, seconded by Director Beach, the transfer was approved. Motion carried.

The Cove Avenue Project Financing was then discussed. Two alternatives, selected by the Cove Avenue Project Advisory Committee, was presented to the Board. The first was for the District to finance from reserves charging interest at a rate equal to one percent higher than the average annual yield of the reserve account. The second alternative would be to finance under the Wells Fargo lease-purchase proposal. The Board was informed that the first alternative would require Mr. Dan Lange, whom was present, to finance the Tri Valley Water District acreage separately. Mr. Lange indicated that this proposal would probably be acceptable to him. The Board then directed Engineer-Manager Chandler to prepare specific details of this proposal for the June Board Meeting.

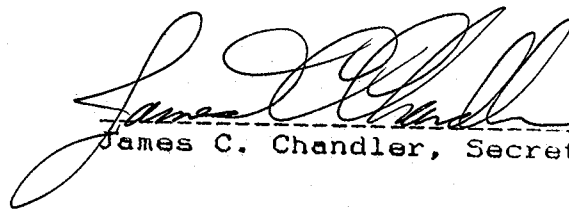
Under "Water Supply Contract", Engineer-Manager Chandler reported on the latest contract renewal efforts. A meeting with USBR Regional Director David Houston, April 26, 1988, was to be followed up by a meeting at the ACWA Convention in San Diego, May 11, 1988. The area of concern was still the Bureau's position that an environmental assessment was necessary for Contract renewals. Mr. Houston contended that the 1956 Act provided the Bureau with the authority to adjust water supply contract quantities. It was for this reason that Mr. Houston was requested to meet with legal counsel from the various Friant-Kern Contractors.

Engineer-Manager Chandler suggested that the Board consider implementing a Drought Management Plan for water short years. The plan would basically involve a redistribution of water on a voluntary basis. The District would offer to buy back surface water supplies at an incentive price for resale to areas within the District that did not have an adequate supply. This would be done by matching voluntary sales to the District to meet prepaid request for additional water. The Board agreed to the concept and directed Engineer-Manager Chandler to implement the program.

With no further business to discuss, the Board Meeting was adjourned at 3:45 P.M.



Harvey S. Chase, President



James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, June 8, 1988.

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. Ketcher, Vice President
	Stanley C. Beach
	Richard D. McFarlin
	James O. Orlopp
Officers:	James C. Chandler, Engineer-Manager-Secretary
	Douglas B. Jensen, Attorney

Minutes of the Regular Meeting held on Friday May 6, 1988 were approved as mailed on a motion by Director McFarlin and seconded by Director Beach. Motion carried.

Bills in the amount of \$92,009.73 were read, approved and ordered paid on a motion by Director Orlopp, seconded by Director McFarlin. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$969,000.00 earning interest at 7.85 percent. Engineer-Manager Chandler then informed the Board that the June water supply meeting would not be held until Friday, June 10th, so there was no updated information at this time.

Under Cove Avenue Project, the Resolution of Necessity for condemnation of the Silva property was discussed. Present for this discussion were:

Owners:	Manuel N. Silva
	Marie Inez Simoes
	Robert Lamas
	Arlean Lamas
Attorney:	Robert Wright
Appraiser:	Charles W. Puckett

Attorney Jensen reviewed the Resolution of Necessity in detail for all present. Engineer-Manager Chandler then explained the distribution system and the need for a regulating reservoir at the site of discussion. Attorney Jensen then asked if there were any objections to the Resolution of Necessity. Attorney Wright said he had objections and would discuss them when Attorney Jensen was finished. President Chase then asked if there was a

motion to support the Resolution of Necessity. Director Beach so moved, seconded by Director McFarlin.

Attorney Wright then discussed several objections he had to the condemnation proceedings:

1. No environmental documents have been noticed or filed.
2. Procedural - by code, the Board sets what it feels is fair market value and makes offer.
3. Objected to date of appraisal - suggested that it is out-of-date.
4. Property is outside of District boundaries - extra burden to prove necessary for project.
5. Chandler's computations show value of property at \$5,000.00 per acre.

Mr. Puckett then stated if he were to redo his appraisal today the value may be higher but would not be lower.

President Chase then called for the vote on the motion which was passed by unanimous vote.

Attorney Jensen then pulled the environmental assessment from the files, quoted from the finding and the conclusion to file a Negative Declaration.

Engineer-Manager Chandler then presented a proposal to finance the portion of Cove Avenue Project within the District from the District's "Special Project Fund". The proposal was to finance on lease-purchase concept at an interest rate one percent over the District's average annual earnings. On a motion by Director Beach, seconded by Director Orlopp, the financing proposal was approved. Motion carried.

Engineer-Manager Chandler then reported on the District's evaluation to supply more water to the Drum Valley #1 acreage. An alternative to install a new pump between Sand Creek pumping plant and the Drum Valley acreage was found infeasible because of insufficient capacity at the Sand Creek Plant. It was estimated that another 20hp pump would be needed at Sand Creek which would be very difficult to install with the present system. The other alternative evaluated was for the District to take over and operate a sump along Filer Road. This had the potential to solve part of the capacity problem for Drum Valley #1 acreage only. Because of the state-of-repair and potential liability associated with the sump, it was recommended that the District not take ownership of the sump. The option was offered to Mr. Corrin, owner of Drum Valley #1 acreage, to use the sump as a regulating

reservoir for his acreage since it would primarily benefit his acreage. Mr. Corrin declined this proposal and asked the District to evaluate another reservoir site on some adjoining property. It was agreed that this evaluation would be made and a report made to the Board at its regular meeting in July.

Dennis Keller, Consulting Engineer, then presented to the Board information concerning the potential to purchase an additional water supply from the City of Lindsay. Mr. Keller explained the cost of purchasing capacity in the Cross Valley Canal and the associated water supply, the exchange agreement with Arvin-Edison Water Storage District and the potential for non-full supply of the contract amount. After discussion, it was agreed that this matter should be discussed further at the next Regular Board Meeting.

Engineer-Manager Chandler then reported that the draft format for the USBR water supply contract had been received. Comments would be prepared as a joint effort of the Friant water users and returned to the Bureau as soon as possible. The goal set by the Bureau is to have the Orange Cove Irrigation District's draft agreement ready for District review in September.

Engineer-Manager Chandler then reported on an illegal tap made to the 1 North pipeline system. Dye had been placed in the system at the Friant-Kern Canal turnout and was found in a reservoir on East Jensen Avenue. Excavation around a locked delivery located a 2 inch steel pipe connected directly to the charged portion of the District's pipeline. Other matters such as cable gates and posting of our access routes were then discussed. Attorney Jensen assured the Board that the District has an access right to operate and maintain the District facilities.

The Board was then asked to hear two items under "Other Business". On a motion by Director McFarlin, seconded by Director Beach, the Board agreed to hear the items.



Engineer-Manager Chandler the reported on a letter received from the Bureau asking for the water delivery records for landowners not in compliance with the Bureau's landholding reports for 1987. The Bureau's letter stated that the District would be charged full-cost rates for the water delivered to these growers. However, the Bureau failed to recognize that the confusion associated with the non-reporting was created by their indecision on this matter.

A report was then given on the Kings River Siphon Hydroelectric Project. The District was in receipt of some of the developer's financial documents and would have to reconvene prior to June 24, 1988 to respond to the documents submitted.

With no further business to discuss, the Board Meeting was adjourned at 5:20 P.M..

*Harvey S. Chase*  
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Harvey S. Chase, President

*James C. Chandler*  
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James C. Chandler, Secretary



Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, June 22, 1988.

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

Directors: Harvey S. Chase, President  
D.W. Ketscher, Vice-President  
Stanley C. Beach, Director  
Richard D. McFarlin, Director  
James O. Orlopp, Director

Officers: James C. Chandler  
Engineer-Manager-Secretary  
  
William H. Spruance  
Attorney

Others: John J. Huetter, Jr.  
Manager, Kings River Siphon  
Hydropower

Engineer-Manager Chandler opened the meeting by explaining that the purpose was to review certain issues pertaining to the Kings River Siphon Hydropower (Developer's) financing proposal for construction, operation and maintenance of the Kings River Siphon Hydroelectric Project. An overview of eight issues was then presented to the Board. Attorney Spruance then reviewed each issue in detail including discussion as to which items should remain in a "Certificate of Conditional Approval" and those that should be issued in the letter of transmittal. After lengthy discussion, it was resolved that five issues would remain in the "Certificate of Conditional Approval", two moved to the transmittal letter and one issue dropped. On a motion by Director Ketscher, seconded by Director Orlopp, the conditional approval was authorized. Motion carried.

The USBR Construction, Operation and Maintenance Agreement was then discussed. It was explained that the last draft had included the Friant Water Users Authority (FWUA) as signatory to the agreement. FWUA preferred to be referenced as a contractor for USBR and were suggesting to the Bureau that these changes be made. The agreement met the needs of the District and the Developer and therefore on a motion by Director McFarlin, seconded by Director Beach, the USBR Agreement was approved subject to staff acceptance of the changes to be made regarding the FWUA. Motion carried. (Resolution 2-88).

Discussion was then held regarding P. G. & E.'s Consent to Assignment of revenues from the Standard Offer #4 for this project. P. G. & E.'s standard Consent to Assignment letter was not acceptable to the District as it was prepared. Therefore, no action was taken on this matter.

Under Construction Water for Cove Avenue, the Board Authorized Engineer-Manager Chandler to sell up to ten (10) acre feet of water at \$100.00 per acre foot for the improvement of Cove Avenue.

With no further business to discuss, the Board Meeting was adjourned at 5:40 P.M..

  
Harvey S. Chase, President

  
James C. Chandler, 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 22, 1988 at 1:30 P.M., for the purpose to discuss the following items:

1. Kings River Siphon Hydroelectric Project.
2. Construction water for Cove Avenue Road Construction.

Dated this 22nd day of June, 1988.

Directors

Harvey S. Chase  
W. Retschey  
Stanley C. Beach  
Bill McFarlin  
James Colepp

## 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 22, 1988 at 1:30 P.M., for the purpose to discuss the following items:

1. Kings River Siphon Hydroelectric Project.
2. Construction water for Cove Avenue Road Construction.

Dated this 22nd day of June, 1988.

Directors

Harvey S. Chase  
W. Retschey  
Stanley C. Beach  
Bill McFarlin  
James Colepp

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, July 13, 1988.

The Meeting was called to order at 1:30 P.M. with the following Directors and Officers present:

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

Minutes of the Regular Meeting held on June 8, 1988 and Special Meeting held on June 22, 1988 were approved as mailed on a motion by Director Beach, seconded by Director McFarlin. Motion carried.

Bills in the amount of \$67,203.11 were read. All were approved and ordered paid except for the \$163.00, ACWA Water Awareness Support payment, on a motion by Director Ketscher, seconded by Director Orlopp. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$874,000.00 earning interest at 7.88 percent. Engineer-Manager Chandler then informed the Board that the declaration made by the Bureau of Reclamation had been lowered from 80 to 78 percent. Water useage records were then reviewed which showed this year's useage compared to the normal average used. Projections made from the usage to-date indicated an underuse of about 2,000 acre feet for the season

Under Power Projects, Engineer-Manager Chandler reviewed the current financial situation the Friant Power Authority is faced with because of the second dry water year. It was explained that the Authority may be short by about \$500,000.00 to make its April 1989 payment. The Authority was asking member Districts if they would prefer to loan the Authority funds in lieu of having the insurance pay the short-fall which would potentially cause other problems. It was also noted that the final decision would not have to be made until February 1989, at which time we should have a reasonable projection for the 1989 water year. The Board did not object to this idea and agreed to revisit this matter in February if necessary.

Under the Kings River Siphon, the Financial Documents and the revised P.G. & E.'s "Consent to Assign" letter had not been received so no action could be taken on these matters.

Under City of Lindsay Water, a cost breakdown to purchase Cross Valley Canal capacity, cost for water and a number of issues concerning contracting for that water were reviewed. After discussion, the Board elected to drop its efforts to obtain additional water by subcontracting for this supply.

Engineer-Manager Chandler then reviewed the billing from the Bureau of Reclamation for non-compliance on 1987 landholder forms and a letter from Attorney Jeff Meith rebutting the penalty charges. After discussion, the Board elected not to make any payment to the Bureau regarding this matter and directed Attorney Meith to send his letter rebutting the Bureau's authority to assess such penalties.

Engineer-Manager Chandler then reviewed an alternative regulating reservoir site of Improvement District 8 as had been requested by Mr. Alan Corrin at the June Board Meeting. This alternative was estimated to cost \$70,000 and provide very limited improvement to the upper end of Improvement District 8. Based on the information provided at this time and from previous meetings, the Board elected not to pursue this item further.

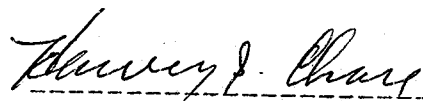
Mr. Carl Carlsen then appeared before the Board on behalf of Oakmore Ag. Services requesting water for land being purchased in Improvement District 14. Mr. Carlsen stated that the land purchase was in escrow at the cutoff date to purchase water and the previous owner had not passed the bill to them so they were unaware of the water purchase requirements. The Board informed Mr. Carlsen that in water short years the District can't meet the water needs of growers purchasing on time. However, due to the fact that this matter was beyond the control of Oakmore Ag. Services, on a motion by Director Beach, seconded by Director Ketscher, the Board approved the sale of one-half of this years water per acre allotment. Motion carried.

A Salary review was then made which compared salaries from four other Districts and the Friant Water Users Authority. Based on the survey, Engineer-Manager Chandler recommended that there be no adjustments made in the Salary Schedule; a step increase for eligible employees; a one percent increase for the Administrative Assistant and the Maintenance Superintendent positions; a new salary of \$2,250/mo. for the engineering position and no adjustment for the Operations Superintendent. On a motion by Director Ketscher, seconded by Director Beach, the recommendations were approved. Motion carried.

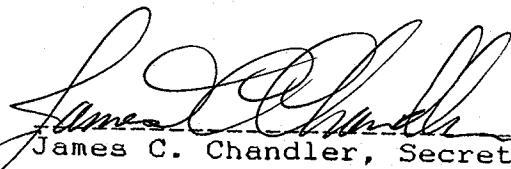
Engineer-Manager Chandler then informed the Board that the assessment acreage along Cove Avenue would have to be adjusted due to the purchase of land by the County for road construction. This adjustment would cause the loss of between \$3,000 to \$4,000 from that construction fund.

A letter from the Association of California Water Agencies was then reviewed. The letter offered to refund the District's contribution to the Paradise Irrigation District Case or retain the money for other legal cost. The Board directed Engineer-Manager Chandler to request the refund.

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



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Harvey S. Chase, President



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James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 10, 1988.

The Meeting was called to order at 10:00 A.M. with the following Directors and Officers present:

Directors:	Harvey S. Chase, President Donald W. Ketscher, Vice President Stanley C. Beach Richard D. McFarlin James O. Orlopp
Officers:	James C. Chandler, Engineer-Manager-Secretary
Others:	Kyle Stephenson, Baker, Peterson & Franklin William H. Spruance, Attorney G. Martin Tuttle, Attorney

Minutes of the Regular Meeting held on July 13, 1988 were approved as mailed on a motion by Director Beach, seconded by Director Orlopp. Motion carried.

Bills in the amount of \$108,379.35 were read, approved and ordered paid on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$899,000.00 earning interest at 8.08 percent. Engineer-Manager Chandler then informed the Board that the water declaration made by the Bureau of Reclamation had been held at 78 percent at the August 5th meeting.

At 10:30 A.M., Mr. Kyle Stephenson representing Baker, Peterson and Franklin, appeared before the Board to review the 1987 audit. Mr. Stephenson reviewed the Statements of Income, Statement of Changes in Financial Position (1986-1987) and the more significant Notes to the Financial Statements. After discussion, a motion was made by Director Beach, seconded by Director McFarlin, to accept the 1987 Audit Report. Motion carried.

While Mr. Stephenson was present, Engineer-Manager Chandler asked that agenda items regarding computers and Manager's vehicle be discussed. Under computers, a discussion was held regarding the limitations of the existing system, particular the inability to track information between individual programs. Major improvements have been made in the computer industry which provide considerable more benefits to the user. Mr. Stephenson reported that the industry is still changing very rapidly and the projected life is probably between five to seven years.

Under Manager's vehicle, a discussion was held regarding the Manager furnishing a vehicle and being compensated on a mileage basis in lieu of using a District furnished vehicle. Mr. Stephenson reported on the Internal Revenue Services rules pertaining to use of a vehicle for private and business purposes. After discussion of cost and other matters, these issues were tabled.

Engineer-Manager Chandler then asked the Board to hear two additional items under "Other Items." On a motion by Director Orlopp, seconded by Director Ketscher, the Board agreed to hear the new items.

The first item was the need to replace the roof on the office building. The roof leaked for the first time during the Winter of 1986-87 and was repaired. Two new leaks occurred during the Winter of 1987-88 and were repaired but did not hold. Since the roof is 24 years old it was felt that the roof should be replaced before additional damages occur to the building. Three bids were offered but one was for a polymate and polyurethane foam which would add insulating value to the building. The Board decided the building should be evaluated for needs prior to making a decision on this matter.

The second item pertained to the need to involve a consultant to evaluate and make recommendations for limiting particular elements in the treated sewer water that could be harmful to the soil and crops. Engineer-Manager Chandler asked the Board to authorize the study and the expenditure not to exceed \$1,000. On a motion by Director McFarlin, seconded by Director Beach, the authorization was approved. Motion carried.

The Board Meeting recessed at 11:50 A.M. for lunch.

The Board Meeting reconvened at 1:30 P.M. with Attorney Bill Spruance in attendance. The Kings River Siphon Project was then discussed. Attorney Spruance gave a status report on the pending issues of the Developer's Loan Documents and offered that the Board might consider giving a conditional approval to those documents. Relative to the recommendations, the following actions were taken:

Director Ketscher moved to approve the "First Amendment to License and Operating Agreement" and authorize the President and Secretary to execute it on behalf of the District, subject to:

- (a) Changes that conform substantially to the recommendation in, and accompanying, District Counsel's letter of August 8, 1988, to Uniwest Counsel - such changes being subject to District Counsel's approval as to form; and
- (b) Verification that insurance proceeds will be available to pay for repair and restoration of the project facilities in the event of an insured casualty - said insurance coverage to be at no expense to the District.

The motion was seconded by Director Beach. Motion carried.

Director Orlopp moved to approve the Draft Loan Documents dated 7-28-88 as being consistent with the License and Operating Agreement, as amended, subject to changes that conform substantially to the recommendations in, and accompanying, District Counsel's letter of August 8, 1988 to Uniwest Counsel - such changes being subject to District Counsel's approval as to form; and

Authorize the President and Secretary to execute, on or behalf of the District, the following:

- (a) "Acknowledgement and Consent" to collateral assignments;
- (b) "Agreement for the management of the Project";
- (c) "Consent to Assignment and Agreement" (P.G. & E.); and
- (d) Such other documents as may be incidental to the foregoing.

The motion was seconded by Director McFarlin. Motion carried.

Engineer-Manager Chandler then reported on the Friant Power Authority activities. The latest projections made by Manager John Boudreau were that the February draw for payment may be as much as \$994,000 short. This gives serious concerns as to whether the Authority members would be interested even in a good water year to temporarily lend money to the project. Also, facing the Authority is a decision to be made as to whether or not to proceed on the development activity of the Friant-Kern #2 and the Fish Release projects. The projects could be shelved for a few years and retain the Standard Offer #4 Contract if the Authority could demonstrate to P.G. & E. that the projects are ready to build. Additional work and expenditure of funds would be necessary to get the projects to that stage with a high risk of losing any additional money spent on the projects.



At 3:30 P.M., Attorney Martin Tuttle joined the Board Meeting to discuss the City of Orange Cove Water Use Agreement. Engineer-Manager Chandler gave a status report on the Agreement and re-emphasized the need to do a study of elements that potentially would harm the soil and crops grown. On a motion by Director Ketscher, seconded by Director Beach, the Board approved the Agreement contingent upon the outcome of the element study. Motion carried.

Under "Water Issues," Attorney Tuttle reviewed his letter in response to Attorney Marla Lynn Swanson regarding the Konvalin water theft case. Attorney Tuttle stated that Attorney Swanson's offer to compromise only contained matters that benefited her

client. Therefore the offer was rejected.

Engineer-Manager Chandler then informed the Board of the date the first water supply contract renewal negotiation meeting would be held and invited the Board to attend. The present negotiations were for a standard contract format for all Friant long term contractors. Orange Cove Irrigation District's contract negotiations are expected to start around mid September.

A letter from Attorney Jeff Meith was then reviewed that concerned the U.S. Bureau of Reclamation's proposal to conduct a hydrologic model studies on the San Joaquin River system to see if flows could be released for fisheries benefit. Funding of \$250,000 for the studies had been made and meetings were held without any notification to any of the Friant water users. The Board felt this matter should be opposed since it would threaten the Friant Class I water supply.

A brief discussion was then held regarding the potential for the District to enter into a water exchange agreement with Kern-Tulare Water District. Kern-Tulare has a good supply of water from the Delta and could supply all of OCID's needs in water short years. The preliminary proposal would be that OCID would buy water from Kern-Tulare at their cost in water short years and would sell surplus supplies to Kern-Tulare at OCID cost when available.

Engineer-Manager Chandler then reviewed a water allocation and use report of District water users. The report showed the landowners that had under purchased water and those that were using only small amounts of their purchased supplies. Engineer-Manager Chandler then requested that the Board permit the use of some of the unused supply to complete the demands for the \$55.00 water. On a motion by Director Beach, seconded by Director Ketscher, the pooling of unused supplies was approved. Motion carried.

Engineer-Manager Chandler then reported on two major overuses of allocated water within the District. One overuse was an oversight by District staff and the other occurred between monthly water use reports. The Board directed Engineer-Manager Chandler to bill for the overused water at the pooled rate for make-up water to the District.

The Employee Health Insurance rate increase was then reviewed. Even though Orange Cove Irrigation District employees had an extremely low use rate, the carrier rates went up 28.7 percent. According to the carrier, this is due to high increases in cost of providing medical services. Other districts and water agencies experienced cost increases from 19 to 50 percent. Engineer-Manager Chandler recommended that the coverage for the employees not to be changed at this time because the added cost to the employees were not reflected in the premium reduction for the alternatives offered, coupled with the fact that employees were not given a cost-of-living raise this year.

The draft 1989 budget was then reviewed with the major changes being reflected in the cost of water for 1989.

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

*Harvey S. Chase*  
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Harvey S. Chase, President

*James C. Chandler*  
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James C. Chandler, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 24, 1988.

The Meeting was called to order at 1:40 P.M. with following Directors and Officers present:

Directors: Harvey S. Chase, President  
Stanley C. Beach  
James O. Orlopp

Officers: James C. Chandler  
Engineer-Manager-Secretary

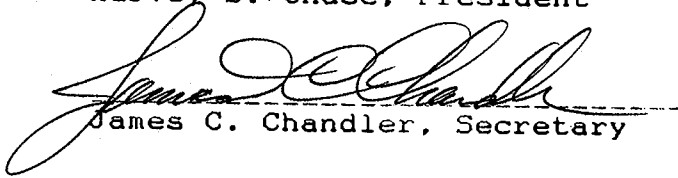
A discussion was held regarding the water supply, water uses to-date and the projected water use for the season. Also, a report was given regarding the number of water users that were out or nearly out of their 1988 allocated water supply. Engineer-Manager Chandler reported that an opportunity arose to sell some of the earlier purchased \$55.00 water since the remaining supplies appear to be more than adequate to meet the remaining needs. On a motion by Director Beach, seconded by Director Orlopp, the Board approved opening of the remaining supply on an "as needed basis" to growers and authorized the sale of up to 300 acre feet of the \$55.00 water. Motion carried.

A brief discussion was then held regarding the potential to exchange water between OCID and Kern-Tulare Water District. A comparison was also made between using Kern-Tulare water rather than trying to purchase an additional water supply such as Tulare County water which would probably involve Arvin-Edison Water Storage District exchange. Engineer-Manager Chandler informed the Board that a cost comparison analysis would be brought before the Board in the near future.

A discussion was then held regarding the request to start contract negotiations for the renewal of OCID's water supply contract. A letter had been sent to the Bureau requesting September 8th as the first negotiation date. It was suggested that two Board members be a part of the negotiating team since more than two would be in conflict of the Brown Act. The Board agreed to a negotiating team consisting of Directors Chase, Ketscher, Attorney Jeff Meith and Engineer-Manager Chandler.

With no further business to discuss, the Board Meeting was adjourned at 2:50 P.M.

  
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Harvey S. Chase, President

  
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James C. Chandler, 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 August 24, 1988 at 1:30 P.M., for the purpose to discuss the following items:

1. Review of remaining water supply available for the season in consideration for opening for use as needed by water users.
2. Review of potential opportunity to enter into an agreement with Kern-Tulare Water District.
3. Contract Renewal - Discussion regarding the start of negotiations and representation for the District.

Dated this 24th day of August, 1988.

Directors

Harvey S. Chas  
On Retiring  
James Clapp  
Bob M. Ford  
Stanley Beach

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 August 24, 1988 at 1:30 P.M., for the purpose to discuss the following items:

1. Review of remaining water supply available for the season in consideration for opening for use as needed by water users.
2. Review of potential opportunity to enter into an agreement with Kern-Tulare Water District.
3. Contract Renewal - Discussion regarding the start of negotiations and representation for the District.

Dated this 24th day of August, 1988.

Directors

Harvey S. Chas  
On Retiring  
James Clapp  
Bob M. Ford  
Stanley Beach

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 14, 1988.

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
	Stanley C. Beach
	Richard D. McFarlin
Officers:	James O. Orlopp
	James C. Chandler, Engineer-Manager-Secretary

Minutes of the Regular Meeting held on August 10, 1988 and the Special Meeting held August 24, 1988 were approved as mailed on a motion by Director Beach, seconded by Director Ketscher. Motion carried.

Bills in the amount of \$109,691.73 were read, approved and ordered paid on a motion by Director Orlopp, seconded by Director McFarlin. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$874,000.00 earning interest at 8.16 percent. Engineer-Manager Chandler then informed the Board that the water declaration made by the Bureau of Reclamation was held at 78 percent at the September 8th meeting.

Under "Other Items", the Board was asked to hear two items not listed on the Agenda. On a motion by Director McFarlin, seconded by Director Beach, the Board agreed to hear the new items. Motion carried.

The first item concerned a special assessment by the Central Valley Project Water Association to fight the attempt of the American Fisheries Society of placing the Sacramento River Winter-Run Chinook Salmon under the Endangered Species Act. On a motion by Director Ketscher, seconded by Director Beach, the special assessment was approved. Motion carried.

Under the second item, Engineer-Manager Chandler gave a status report on the Water Supply Contract negotiations with the Bureau of Reclamation. The present on-going negotiations were for a standard format for all of the Friant contractors. Key issues to Orange Cove included changes in the minimum acreage which could receive agricultural water, a new water measurement and testing standard for the non-agricultural water users, and a force majeure clause which could cause early renewing contracts to lose part of their water pending the outcome of the Bay-Delta hearings or other State water issues. Regarding the minimum acreage, the Bureau has taken the position that water delivered to parcels five acres and smaller would be charged a municipal and industrial (M&I) rate. This would force the District, at least under its present operation, to charge different rates even though the water use in reality is for agricultural purposes.

The Regular Meeting was recessed at 2:30 P.M. and the Board reconvened as the Board of Equalization. In that no person elected to appear before the Board of Equalization, the Board reviewed and accepted the Assessor's Book as prepared on a motion by Director Ketscher, seconded by Director Beach. Motion carried.

The Hearing of the Board of Equalization was then adjourned and the Regular Meeting was reconvened. The Budget was then reviewed and after discussion the Water Delivery Charge was reduced from \$3.50 to \$3.25 and the Standby Charge reduced from \$2.75 per acre to \$2.25 per acre by removing the vehicle from the Administration Budget. On a motion by Director Beach, seconded by Director Ketscher, the Budget was approved as modified. Motion Carried.

On a motion by Director Ketscher, seconded by Director McFarlin, a resolution fixing the amount and rate of the 1989 assessment was offered. Motion carried. (See Resolution 3-88).

On a motion by Director McFarlin, seconded by Director Orlopp, a resolution setting the Standby Charge for 1989 was offered. Motion carried. (See Resolution 4-88).

Under power projects, a Letter of Agreement with the U. S. Bureau of Reclamation to raise the reimbursement from \$10,000.00 to \$20,000.00 for the Bureau's cost incurred in the Kings River Siphon and an advancement of \$5,000.00 was discussed. On a motion by Director Beach, seconded by Director McFarlin, the Agreement and fund advancement was approved. (See Resolution 5-88).


A call for funds for the Friant Power Authority was then discussed. The purpose on this call for funds was to complete Friant-Kern Unit #2 and the Fish Release Project under the Bechtel proposal in sufficient detail for P.G & E. to agree to extend their Standard Offer #4 contract so the projects could be developed in the future. After discussion, a motion was offered by Director Beach, seconded by Director Orlopp, to not participate in the project as proposed. Motion carried.

A letter from Attorney John Smith was then discussed. Attorney Smith was requesting a Board decision as to whether or not Dan Lange should participate in the Silva Condemnation proceedings. After discussion, a motion was offered by Director McFarlin, seconded by Director Beach, to proceed without Dan Lange's involvement. Motion carried.

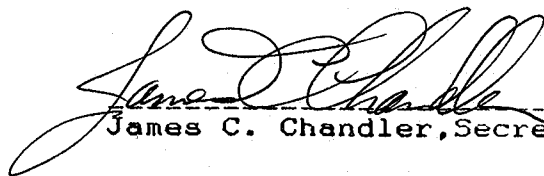
Engineer-Manager Chandler then requested authorization of the Board to evaluate specific computer needs for the District and involve a consultant in the evaluation. After discussion, the Board authorized the District Staff to start the evaluation and would consider later the need to involve a consultant.

Engineer-Manager Chandler then requested authorization to restore the office building roof and recommended that the proposal by Fresno Roofing be accepted at a cost not to exceed \$7,500.00. On a motion by Director Orlopp, seconded by Director Ketscher, restoration of the roof was approved. Motion carried.

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



Harvey S. Chase, President



James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 12, 1988.

The Meeting was called to order at 1:35 P.M. with the following Directors and Officers present:

Directors:	Harvey S. Chase, President Stanley C. Beach Richard D. McFarlin James O. Orlopp
Officers	James C. Chandler, Engineer-Manager-Secretary
Absent:	Donald W. Ketcher, Vice-President

Minutes of the Regular Meeting held on September 14, 1988 were approved as mailed on a motion by Director Beach, seconded by Director McFarlin. Motion carried.

Bills in the amount of \$85,846.66 were read, approved and ordered paid on a motion by Director Beach seconded by Director McFarlin. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$765,000.00 earning interest at 8.22 percent.

The water report was then given with the projected seasonal use. Based on the current usage rate, the seasonal usage was projected to be less than the supply.

The Board was then asked to hear the Friant Water Users Authority budget under "Other Items". On a motion by Director Orlopp, seconded by Director McFarlin, the Board agreed to hear the new items. The budget was then reviewed with an explanation that if the water supply contract renewals were challenged by environmental groups, an additional call for funds would be necessary. Understanding the issues, the Board agreed with the budget as prepared.

Engineer-Manager Chandler then presented a progress report on the Water Supply Contract Negotiations. Four negotiating meetings had been held since the September Board Meeting with one specifically for the Orange Cove contract. The definitions for "Agricultural" and "M & I" water still remained as critical issues. Under current definition, Orange Cove would become an M & I contractor for any water served to acreage less than five (5) acres unless that ownership could demonstrate a gross income of \$5,000.00 or more. If M & I water was delivered, other standards would be forced upon the District which would be difficult to administer with the existing systems. Another session is scheduled for October 21st with primary objectives of resolving the Orange Cove issues.

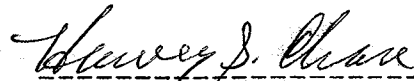
A brief status report was then given on the Kings River Siphon Project in that the bids would be opened on October 14th. The bid documents had been issued prior to USBR review at the request of the financier for the project. If changes had to be made as a result of the Bureau's review, it would be accomplished through a contract change order.

Under "Friant Power Authority", a call for funds of \$2,500.00 was made. This call for funds was made to determine if any member districts of the Friant Power Authority wanted to continue with the Fish Water Release Project without the Friant Unit #2 Project. After explanation of the project, a motion was made by Director Beach, seconded by Director McFarlin, to approve the call for funds. Motion carried.

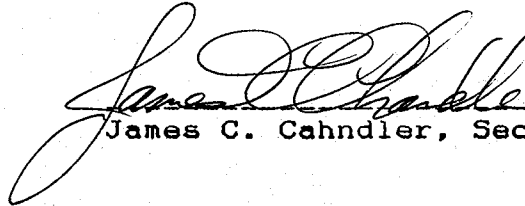
The need to amend the 1989 Operations Budget was then discussed. The Bureau had just released the full operation and maintenance cost for water for 1989. The rate was \$14.84 to Orange Cove which would become the new water rate under the renewed contract. Engineer-Manager Chandler recommended that rate be set at \$15.00 with any differences in payment and actual cost be adjusted at the end of the water season or be used to pay toward the interest bearing O & M deficit charged by the Bureau. On a motion by Director Orlopp, seconded by Director Beach, the \$15.00 rate was approved. Motion carried.

Engineer-Manager Chandler then reviewed recommended changes in the Employee Handbook. The changes were the same as reviewed with the Board in 1987 except for the disciplinary plan which Attorney Jensen had recommended against. After discussion, Director McFarlin moved, seconded by Director Beach, that the policy statements be adopted and incorporated into the Employee Handbook. The policy statements were "Employee Salary and Benefits, Use of District Equipment, Sick Leave Use with Worker's Compensation, Harassment and Deferred Compensation Procedures." Motion carried.

With no further business to discuss, the meeting was adjourned at 3:30 P.M.



Harvey S. Chase, President



James C. Chandler, Secretary



Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, October 21, 1988 at the Holiday Inn in Visalia.

The Meeting was called to order at 4:00 P.M. with the following Directors and Officers present:

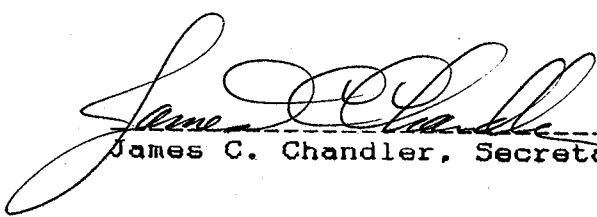
Directors:	Donald W. Ketscher, Vice President Stanley C. Beach Richard D. McFarlin
Officers:	James C. Chandler Engineer-Manager-Secretary
Others:	Jeffrey A. Meith Attorney

Engineer-Manager Chandler and Attorney Jeff Meith reported on the contract negotiations and the progress that had been made particularly on the M & I issues. After discussion of the various issues, Director McFarlin moved, seconded by Director Beach, to accept the terms and conditions of the contract contingent upon final review and approval by Engineer-Manager Chandler and Attorney Jeff Meith of the changes that were agreed to this day by the Bureau staff. Motion carried.

Engineer-Manager Chandler then gave a status report on the Kings River Siphon project. Bids were opened October 14th at the District office with the bid prices ranging from \$1,297,500 to \$1,985,284. These prices were more than twice the engineers estimated. It was felt that the contractors had concerns over the short performance time that the canal would be off coupled with the massive concrete work to be installed with possible bad weather. The developer proposed to review alternatives in hopes that a more viable structure could be selected.

With no further business to discuss, the meeting was adjourned at 4:45 P.M.

  
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Harvey S. Chase, President

  
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James C. Chandler, Secretary

A status report was then given on the Kings River Siphon and the Fish Water Release power projects. The developer on the Kings River Siphon are looking at an alternative design which will use silos for the power house building in lieu of the massive rectangular structure originally bid. The silos can substantially cut material cost and construction time can be further reduced with the inlets designed as over the bank siphons. The developer is still very optimistic that the civil work can be done during the canal dewatered period.

Under the Fish Water Release Project, meetings had been held with the California Department of Fish and Game in an attempt to get their financial participation for a new pipeline installation since this represents over one half of the total project. Additional meetings are to be held to discuss the joint venture. We are still optimistic since the Fresno Fish and Game staff recognizes the need to update the existing pipeline.

Mr. and Mrs. Jake Grove then appeared before the Board to request water service from the District. Their land is located in Improvement District 9A which formerly was excess land and does not have a delivery system. Water service would have to be made through Improvement District 9 system which would require Mr. Grove to purchase a water right through a system paid for by others. That system in turn would have to have adequate capacity or a prorate on Mr. Grove's flow would be necessary. Under the circumstances, a connection to Improvement District 9 may not be cost effective for Mr. Grove. The Board directed Engineer-Manager Chandler to evaluate the situation further so a final decision could be made.

The Friant Water Users Authority call for membership assessment was then reviewed. The amount due from OCID was \$2,654.81. On a motion by director Ketscher, seconded by Director Beach, the assessment was approved. Motion carried.

Engineer-Manager Chandler then reviewed Consultant Carl Anderson's report regarding management practices for use of the City's treated effluent. After discussion, the Board adopted the recommended management practices which included blending one part of treated water with three parts of canal water.

Howard Barker, Administrative Assistant, then appeared before the Board to report on his conversation with, Attorney Bixler from the District Attorney Office regarding the Konvalin water theft case. According to Attorney Bixler, the District did not have a case. His reasoning was that even though the District after injecting red dye into the system and found his pond full of red water the following day, and, even through the District excavated and found the illegal connection to the District's pipeline, he could not prove the water theft. Attorney Bixler stated that Mr. Konvalin admitted to connecting to the District's pipeline but denied ever taking any water through the connection. Also, Mr. Konvalin had taken the position that he put the dye in the reservoir to check for leaks. Attorney Bixler advised that a sheriff should have been present when the dye was put in the water. Under the present circumstances, he could not prove that water was taken by Mr. Konvalin.

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

*Harvey S. Chase*

Harvey S. Chase, President

*James C. Chandler*

James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, December 16, 1988.

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
	Stanley C. Beach
	Richard D. McFarlin
	James O. Orlopp
Officers:	James C. Chandler,
	Engineer-Manager-Secretary

Minutes of the Regular Meeting held on November 9, 1988 were approved as mailed on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

Bills in the amount of \$108,909.22 were read, approved and ordered paid on a motion by Director Ketscher, seconded by Director Orlopp.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$667,000.00 earning interest at 8.44 percent. The maintenance cost for each Improvement District was then reviewed.

Under "Other Business", Engineer-Manager Chandler asked the Board to hear one new item. On a motion by Director McFarlin, seconded by Director Orlopp, the Board agreed to hear the item. Engineer-Manager Chandler then explained that a notice had been received from the U.S. Bureau of Reclamation stating that Regional Director, David Houston would be leaving his post in January to enter private enterprise. The Board was asked if they wanted a resolution or letter sent to Mr. Houston expressing the District's appreciation for the job he has done as Regional Director. On a motion by Director Beach, seconded by Director McFarlin, Engineer-Manager Chandler was authorized and directed to prepare and forward a letter to Mr. Houston on behalf of the Board. Motion carried.

Under "Water Supply Contract Renewal", a status report was given. National Resources Defense Council had filed a notice of intent to sue if Orange Cove Irrigation District's contract was renewed without an environmental assessment report being prepared. NRDC's present challenge was made on the grounds that the Endangered Species Act had not been complied with. After review of the Act by Attorney Jeff Meith, the Bureau and others, it was the general consensus that an ESA review would be necessary. The Bureau was to immediately start this review. Engineer-Manager Chandler also noted that the \$67,000 penalty on the delinquent Reporting and Certification forms had now become an issue with the Bureau. The Bureau was now looking at this as a non-compliance issue on the existing contract. It appears the reason this issue came up at this time is that the Bureau has to appear before Senator Bradley's Oversight Committee the first week of January, 1989. The Board agreed that if it became necessary to do so, the \$67,000 would be posted in an escrow account until this issue is resolved.

Engineer-Manager Chandler then explained the need to have the renewed contract validated by Superior Court and the State Treasurer's Office. Director Orlopp offered a Resolution, seconded by Director Beach, and unanimously approved to file a Validation with Superior Court. (Resolution 8-88) Then, Director Beach offered a Resolution, seconded by Director Ketscher, and unanimously approved to file a Validation with Districts Securities Division of the State Treasurer's Office. (Resolution 9-88.)

The Annexations and Detachments were then discussed. The first matter was in regard to Mr. Lasotovich's request to annex 160 acres. His original request was to annex 75 acres. The Board agreed to honor his request for 75 acres (rounded to 80 acres for convenience of parcel sizes). The East Drosi area was then discussed and the Board agreed to detached approximately 29 acres from that area. The final Detachments/Annexations would be approximately as follows:

Detachments:	Acres
City of Orange Cove (South Avenue)	200.00
City of Orange Cove (Adams Avenue)	16.81
Don Ketscher	15.99
East Drosi	<u>29.00</u> ±
Total	261.80 +

Annexations:	
Charles Kryder	85.00 +
P.L. Howard	30.00
A. Lasotovich	80.00
Don Ketscher	15.99
Harvey S. Chase	<u>50.00</u> ±
Total	260.99 +

On a motion by Director Beach, seconded by Director McFarlin, the aforementioned Detachments/Annexations were approved for application to the Local Agency Formation Commission of Fresno County. Director Ketscher abstained from voting. Motion carried.

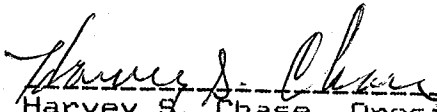
Engineer-Manager Chandler then discussed the need to replace sections of pipelines in two improvement districts in lieu of repair. The first was 660 feet of 18 inch adjacent to the canal turnout in I.D. 14. The estimated cost is \$11,500 or approximately \$7.00 per acre. The second line was 570 feet of 10 inch in I.D. 1A. The estimated cost for this facility is \$4,200 or again about \$7.00 per acre for the improvement district. On a motion by Director Ketscher, seconded by Director Beach, the replacement of both pipelines was recommended. Motion carried.

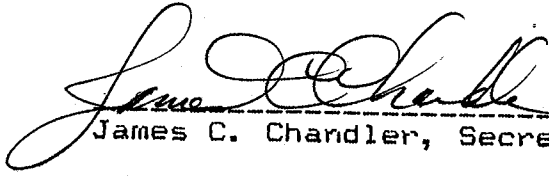
A brief status report was then given on the Silva property condemnation. Silva's attorney was still trying to get the proceeding thrown out of court claiming the District was not in compliance with all of the steps necessary for condemnation. So far, the Judge has ruled in favor of the District and the condemnation is still on course with a trial date set for February 14, 1989.

A status report was then given on the Kings River Siphon Power Project. The developer had suffered some set backs due to plan revisions that were necessary to cut construction cost. However, the developer is still optimistic on a January construction start. The Bureau of Reclamation had agreed to a quick review of the revised plans and to staged construction of the project.

Under Personnel, Engineer-Manager Chandler presented a salary and benefits survey for managers for districts with varied size and complexities on the Friant System. After discussion, Engineer-Manager Chandler recommended a salary comparable to Lindsay-Strathmore as being appropriate for OCID and that this salary be fixed for a two year period. It was also recommended that the Manager be permitted to furnish his own vehicle with District compensation for District use at 22 cents per mile with an average use of 2,000 miles per month (established as the average use over the last 2 1/2 year period) with the District furnishing 100 gallons of fuel per month. An executive session was called at 3:20 P.M. The Regular Board Meeting reconvened at 3:35 P.M.. President Chase informed Engineer-Manager Chandler that the Board recommended and agreed to a monthly salary of \$5,000.00 per month for the next two year period. Furthermore, the Board agreed to the Manager furnishing his own vehicle with District compensation for District use in accordance with the aforementioned terms.

With no further business to discuss, the Board meeting was adjourned at 3:45 P.M.

  
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Harvey S. Chase, President

  
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James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 9, 1988.

The Meeting was called to order at 1:30 P.M. with the following Directors and Officers present:

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

Minutes of the Regular Meeting held on October 12, 1988 and Special Meeting held on October 21, 1988, were approved as mailed on a motion by Director McFarlin, seconded by Director Beach. Motion carried.

Bill in the amount of \$90,245.80 were read, approved and ordered paid on a motion by Director Beach, seconded by Director Orlopp. Motion carried.

The Monthly Report was then discussed. Cash in the Local Agency Investment Fund is \$730,000.00 earning interest at 8.39 percent.

The water report was then given in that the District planned to shut off Saturday, November 12, 1988. Due to the dewatering of the canal, the water level would fall below most of the District's outlets. Also, the District's remaining supply should be down to about 25 acre feet which would not provide for a full day run under the current useage rate. The maintenance costs for the Improvement Districts was then reviewed.

Engineer-Manager Chandler then gave a status report on the condemnation efforts for the Silva property and Dan Lange's involvement in the litigations. The necessity to update the appraisal was then discussed and due to the urgency to meet court dates, authorization for Mr. Roy Oliver, MIA, was granted at a cost of \$3,500 after discussing the matter with Director Ketscher. The Board then adjourned to an executive session at 2:35 P.M. to discuss their proceeding with the condemnation action. After discussion and formulation of their position, the Board returned to the Regular meeting at 2:50 P.M.

The water supply contract renewal efforts were then discussed. Engineer-Manager Chandler gave a chronology of events taking place after the last Regular Meeting, including the Special Board Meeting of October 21, 1988, at which time the terms and conditions of the renewal contract were agreed upon. It was further explained that the standard contract format which included obligation language for the Class 2 water users had not been accepted as of this date by the Friant Water Users group. Engineer-Manager Chandler then asked the Board to consider the California Environmental Quality Act (CEQA) requirements for contract renewal. Based on the CEQA guidelines, it is the opinion of staff that the project is exempt since it is a continuation of an existing project. The project is also exempt from CEQA because it reflects the renewal of an existing contract for an ongoing project originally approved and authorized by the Agreement dated May 20, 1949. The approval of the renewal contract will result in continuation of irrigation water being made available to lands within Orange Cove Irrigation District and will not require any construction, reconstruction, expansion or extension of existing District facilities. Mr. Chandler recommended that the Board determine that the project is categorically exempt and that it authorize the finding of a Notice of Exemption. On a motion by Director Ketscher, seconded by Director McFarlin, and unanimously carried, the Board determined that the project is categorically exempt and authorized Engineer-Manager Chandler to prepare and file a Notice of Exemption with Fresno and Tulare Counties.



Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, December 27, 1988 at the Holiday Inn in Visalia.

The meeting was called to order at 1:30 P.M. with the following Directors and Officers present:

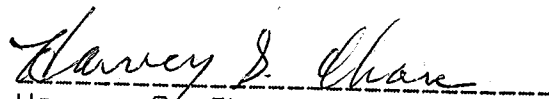
Directors:	Harvey S. Chase, President D.W. Ketscher, Vice-President Stanley C. Beach, Director Richard D. McFarlin, Director
Absent:	James O. Orlopp, Director
Officers:	James C. Chandler Engineer-Manager-Secretary

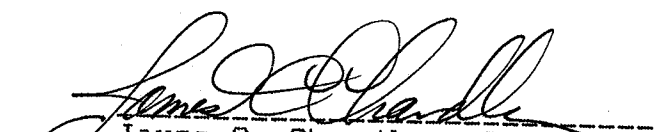
Engineer-Manager Chandler briefed the Board on the events taking place since the news conference of December 21, 1988 at which the National Resources Defense Council (NRDC) publicly announced the filing of a lawsuit to block the execution of renewal contracts on the Friant Unit of the Central Valley Project. A telephone conference call was then held with Attorney Jeff Meith. Attorney Meith explained the filing of the suit, the naming of Houston, Hodel and the Friant Water Users Authority in the suit and the need for Orange Cove Irrigation District to intervene in the suit to protect its water supply. Attorney Meith also discussed the need for landowners to intervene since they would be directly impacted with the loss of land values and impaired crop financing with either the loss of the water supply contract or an interim contract. Mr. Meith recommended that the directors intervene immediately because of this potential impact. On a motion by Director Ketscher, seconded by Director Beach and unanimously approved, the Board agreed to intervene. Also, the Directors present agreed to intervene as landowners in the District.

Engineer-Manager Chandler then discussed the need to enter into an Indemnification Agreement with the other members of the Friant Power Authority since only four of the eight members are looking at developing that project. On a motion by Director McFarlin, seconded by Director Beach, the agreement was unanimously approved and authorized for execution.

Engineer-Manager Chandler then discussed a request from the developer of the Kings River Siphon Project to cover the back end cost on the project as requested by the financier. The developers proposal was that if funds had to be spent by this District, the District would become a partner and share revenues on the developers side proportioned to the investment. After discussion, the Board elected not to back stop the construction cost.

With no further business to discuss, the Board Meeting was adjourned at 3:00 P.M..

  
Harvey S. Chase, President

  
James C. Chandler, 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 December 27, 1988 at 1:30 P.M. for the purpose to discuss the following items:

- 1. Intervention in Lawsuit by Environment Groups in regards to Friant Water Users Authority and other Friant Unit Contractors.
- 2. Indemnification Agreement with Friant Power Authority in regards to the Fish Water Release Project.
- 3. Kings River Siphon - Review of request to cover back-end construction cost of project and share revenue proportional to investment.

Dated this 27th day of December, 1988.

Directors Harvey J. Chase  
Don Ketschey  
Richard M. Schi  
Stanley Beach

CONSENT TO SPECIAL MEETING

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- 3. Kings River Siphon - Review of request to cover back-end construction cost of project and share revenue proportional to investment.

Dated this 27th day of December, 1988.

Directors Harvey J. Chase  
Don Ketschey  
Richard M. Schi  
Stanley Beach