

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 11, 2012. The Meeting was called to order at 11:49 A.M., with the following Directors and Officers present:

- Directors: Harvey A. Bailey, Chairman
David Brown
Russell Katayama
Arlen Miller
- Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
- Others: Robert T. Ramirez, Controller / Treasurer
John Sanders, Field Operations Supervisor
Charles Stringer / Dave Dorrance / Andrew Werner /
(Madera Valley LLC)

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

The regular Board of Directors meeting for January 2012 was called to order by President Bailey at 11:49 A.M.

2. Additions to and approval of the Agenda.

No additions or modifications to the Agenda were noted. Director Miller motioned to approve the agenda. Director Brown seconded the motion and the ***Board voted unanimously in favor of approving the agenda.***

3. Public Comments.

No Public comments were made.

4. Approval of the Minutes.

The Board considered for approval draft minutes from the Regular and two Special December 2011 Board Meetings. Director Brown motioned to accept the three sets of minutes as provided in the Board packet/via email. Director Miller seconded the motion and the ***Board voted unanimously in favor of accepting the three sets of December 2011 minutes.***

5. Approval of Bills.

Controller Ramirez discussed warrants totaling \$306,036.26 to be approved for the period December 8 to January 11, 2012.

Controller Ramirez noted several atypical expenditures including various refunds of water deposits, payment \$4,638 to Sawyers and Holland for legal fees, California Chamber of Commerce and Central Valley Project Water Association 2012 annual dues.

Director Brown questioned the \$30 payment to Dinuba Sentinel for "Public Notice Retraction". Controller Ramirez explained this expense resulted from a request of legal counsel representative of Guarantee Realtors requesting clarification of a previous legal notice published in the Dinuba Sentinel, naming Guarantee Realty as a delinquent payer.

After general discussion and no further questions, ***Director Miller motioned to pay the bills as presented*** and Director Katayama seconded the motion. The Board voted unanimously in favor of the motion and second to pay the bills.

6. Monthly Report.

Controller Ramirez covered Items A through K of the monthly report, noting delinquent standby charges and water users, water deliveries to date and for the month, KRSH year end power revenue, FWR power revenue, LAIF interest rate and balances and status of CD's held by the District for Capital Repayment and Rate Covenant Funds. A report (K) was also provided noting 2011 total legal bills for Minasian, Somach (representation on the Water Right Fee Litigation, and Sawyers. It was noted that the total for the year tracked very closely to the budgeted amount.

Operations Supervisor Sanders covered his report. Director Brown requested John add normal precipitation to date and percentage of normal precipitation to date to the rainfall totals in his report.

Manager Morrissey discussed the water supply situation, usage in December for frost protection and the dwindling carryover supply, which appears will be 2,000 acre feet unless it remains very dry. Manager Morrissey discussed the water supply situation, generally noting that while it is presently dry, there is a substantial amount of rainy season to come and too early to predict water supply declaration.

No action was taken by the Board.

7. **Draft OCID Water Rates**

Board discussed the water rates for the 2012/2013 Contract Year. Director Brown motioned that the 2012/2013 water rates be the same as last year. Director Katayama seconded this motion and the Board voted unanimously in favor of such. It was noted that should the declaration be much less than 100% Class 1, the Board may have to revisit this decision and adjust rates upward to provide income sufficient to meet the necessary debt service coverage ratio (100% of debt service). The Board noted that this action would require a 218 process for landowner approval and that the decision to affect that process could be made at the May Board Meeting. The Board suggested that this possibility to increase rates be noted in the letter to the water users to be included with the upcoming year water applications so that in the event it becomes a necessary consideration, it shall not be a surprise to the landowners.

The Board discussed the consideration of extending a rebate to water users for their specific use during the 215 Temporary Contract time period of April 1 through July 15 2011 due to wet conditions. Because the Bureau of Reclamation charged less than the normal contract price by approximately \$15 per acre foot (average reduction for the period) and the District earlier in the year communicated the importance to utilize this cheaper water, Director Miller motioned to give landowners a flat \$15 per acre foot credit for usage during the aforementioned period of April 1 – July 15 (not the entire water year). Director Brown seconded this motion and the Board voted unanimously in favor of this rebate in the form of a credit. It was noted by Controller Ramirez that this rebate would reduce debt service coverage for Fiscal year 2011, but only slightly and to the degree that it would not negatively impact the rating of the District by virtue of insufficient coverage of debt service. This rebate will be shown as a credit on the 2012 Water Applications sent to each and every landowner in the District.

Controller Ramirez noted the letter from Cuttone and Mastro dated December 28, 2011 to the Audit Committee regarding C&M's acknowledgement of their understanding to provide an audit of the 2011 fiscal year and a yearend financial statement.

It was noted that Supervisor Sanders received his QAC and Controller Ramirez received his CPA certificate for the 2012 year.

8. **9d Repayment Contract Financing**

Manager Morrissey noted payment to the BOR of \$2.8 million on December 28, 2011. The bond issuance status was discussed. At the time of the meeting documents are not to the point that they are considered ready for Board action.

Director Katayama motioned for Manager Morrissey to execute a Bond Counsel Services Agreement with Jon Cristy of Kronick, Moskovitz, Tiedemann & Girard in the amount of \$30,000. Director Brown seconded the motion and the Board voted unanimously in favor of executing the services agreement in pursuance of bond to pay off the remaining capital obligation of approximately \$2.86 million.

No other action was taken by the Board in this regard.

9. **Electrical Power**

Manager Morrissey discussed with the Board various hydropower plant and FPA issues. No action was taken by the Board on general issues.

Also discussed were documents contemplated for execution relative to the development of the New River Outlet powerplant.

First discussed was the Memorandum of Agreement (MOA). The MOA is to be executed by the FPA and the District, and is a requirement of the Amendment to FERC License 11068 whereby parties acknowledge to the FERC that they are jointly and severally liable for the new River Outlet Project and the existing Fishwater Hydropower Plant.

Similarly, a Letter of Agreement (LOA) was discussed with the Board. The purpose of the LOA is the expressed acknowledgement by the FPA and the District that notwithstanding the MOA, both parties understand and agree that their respective mutual liabilities are in accordance with the "Co-Licensee Agreement Between The Friant Power Authority And The Orange Cove Irrigation District Regarding Ownership, Development And Operation Of FERC License No. P-11068" dated February 26, 2008 and the "Resolution Of Dispute And Transfer Of Assets Agreement Between The Friant Power Authority, Certain Members Of The Friant Power Authority And The Orange Cove Irrigation District Pertaining To A FERC License And State Water Rights" dated November 11, 2007 ("Transfer Of Assets Agreement").

Upon review and discussion, Director Brown motioned to authorize Manager Morrissey to execute both the MOA and the LOA on behalf of the Board of Directors of the District. Director Miller seconded the motion of Director Brown and the Board voted unanimously in favor of this motion, noting that Director Collin III was absent from the meeting.

10. 2012 Rules and Regulations

Manager Morrissey reviewed the 2012 draft of the District's Rules and Regulations, noting changes from the 2011 version. After discussion, the Board recommended that the Rules and Regulations note that the RRA (excess lands) forms be included in the water application package with the notation made that it is the District's expectation that they would not have to be completed by landowners once the 9d Capital Obligation has been fully paid by the District, noting however, that the forms are provisionally included (under the unexpected outcome that the 9d Obligation is not satisfied) in the water application package.

Director Katayama motioned to adopt the draft 2012 Rules and Regulations with the noted clarification. Director Miller seconded the motion and the Board voted unanimously in favor of the motion / second.

11. ACWA JPIA / HBA Board Vacancy – Election

Candidates were discussed. It was the consensus of the Board that Steve Ruetters be the Districts HBA Board Position choice, pending concurrence with Director Collin III who would be asked by Manager Morrissey at a later date.

12. Low Head Hydro Working Group

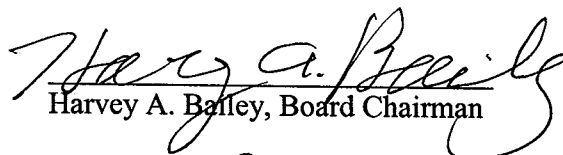
The Board discussed the Working Group. No action was taken.

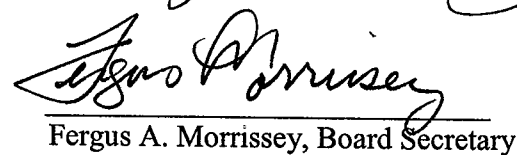
13. Madera ID Water Bank Participation

Madera Valley LLC representatives Charles Stringer, Dave Dorrance and Andrew Werner provided the Board with information relative to the banking opportunities including general terms related to the District's potential participation in the Madera Irrigation District Water Supply and Enhancement Project. No action was taken by the Board.

14. Adjourn

With no further business to discuss, the Board of Directors meeting was adjourned at 3:50 P.M. with the next regular Board meeting scheduled for February 8, 2012 at 11:30 A.M.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, January 20, 2012. The Meeting was called to order at 9:00 A.M., in the Orange Cove Irrigation District office at 1130 Park Boulevard, Orange Cove, California with the following Directors and Officers present:

- Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III, Vice Chairman
David Brown
Russell Katayama
Arlen Miller
- Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
- Others: Robert T. Ramirez, Controller / Treasurer
Via Teleconference: Jonathan Cristy, KMTG
Dennis Ciocca, Stern Brothers
Andrew Ciocca, Stern Brothers
Gary Sawyers, Sawyers & Holland

1. Call to order.

The special Board of Directors meeting was called to order by President Bailey at 9:00 A.M.

2. Additions to and approval of the Agenda.

No additions or modifications of the agenda were suggested. Director Brown motioned to approve the agenda and Director Katayama seconded the motion to approve the agenda. The Board voted unanimously in favor of approving the agenda.

3. Public Comments.

No Public comments were made.

4. 9d Repayment Financing

Manager Morrissey informed the Board that S&P had provided the District with a new rating considering issuance of the proposed 2012 Repayment financing. S&P determined on Tuesday, January 17th that the District's rating remain an A+ with a stable outlook.

Manager Morrissey reviewed the documents associated with the issuance of the proposed bond, as noted in Resolution 2012-01 with the Board members:

- First Supplemental Indenture,
- Bond Purchase Agreement,
- Preliminary Official Statement,
- Continuing Disclosure Agreement

Manager Morrissey noted the one substantive change in the POS relative to the previous version, wherein the POS was corrected by Bond Counsel to correctly identify hydropower revenues as operating income (in accordance with the 2009 Official Statement) and therefore revenues derived from that source are a component in the debt service coverage calculation.

Joining the meeting via teleconference call at 09:15 a.m. were Dennis and Andrew Ciocca with Stern Brothers (underwriter), Jonathan Cristy (bond counsel) and Gary Sawyers, (legal counsel). Mr. Cristy discussed the various documents, noting that the contemplated 2012 bond would be on parity with the 2009 Refinancing Bond and therefore have a parallel structure. Noted were modifications of the documents relative to the aforementioned versions distributed to the Board on January 12th. Andrew Ciocca noted that there was generally a supply shortage in the market at the present time, 10 year treasuries were inching up and therefore the timing was right to sell the bonds as soon as practical. Andrew indicated Tuesday, January 24th was the target and suggested to the Board that the expected yield be 3.5% plus or minus 0.10%.

After further discussion and consideration by the Board, members voted unanimously in favor of Resolution 2012-01 for allowing Manager Morrissey to execute the necessary documents to issue the bonds up to a maximum of \$3.5 million.

5. **Water Supply Options**

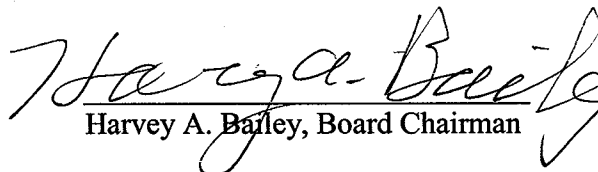
Manager Morrissey discussed with the Board his outlook on opportunities to bolster next Contract Year's water supply. No action was taken by the Board however, the Board did give direction on suggested path to Manager Morrissey.

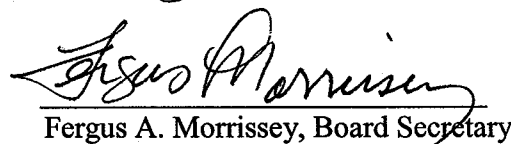
6. **Madera Valley Water Bank Participation**

The Board considered the deal points of the preliminary term sheet offered by Madera Valley LLC with regard to participation in their share of the Madera Irrigation District Water Supply Enhancement Project. The Board failed to take action authorizing execution of the non disclosure / negotiations agreement with Madera Valley LLC at this time.

7. **Adjourn**

With no further business to discuss, the Board of Directors meeting was adjourned at 10:52 P.M. with the next regular Board meeting scheduled for February 8, 2012 at 11:30 P.M. in the office of the District.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary



Minutes of the Regular Meeting of the Orange Cove Irrigation District Financing Corporation held on Wednesday, February 8, 2012. The Meeting was called to order at 11:30 A.M., with the following Directors and Officers present:

- Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III
David Brown
Russell Katayama
Arlen Miller
- Officers: Fergus A. Morrissey, Chief Executive Officer
Robert T. Ramirez, Chief Financial Officer
- Others: John Sanders, Field Operation Supervisor
Keith Clem, Systems Operations Technician

1. Call to order.

The regular (annual) OCID Financing Corporation Board of Directors meeting was called to order by President Bailey at 11:30 A.M.

2. Approval of the Minutes.

The Board considered for approval draft minutes from the OCID Financing Corporation meeting held on January 12, 2011. Director Katayama motioned to approve the minutes as presented. Director Collin III seconded the motion and the Board voted unanimously in favor of approving the minutes as presented.

3. Public Comments.

No Public comment.

4. Report on status of projects.

Manager Morrissey reported to the Board the status of the 9d Repayment process / public issuance of a Bond in the amount of \$3,274,250 required to complete the repayment obligation of the District and render in full force and effect Exhibit E of the 9d Contract executed November 18, 2010. Manager Morrissey indicated that \$2.9 million was wired to the United States on February 7, 2012. Manager Morrissey indicated the terms of the deal were bonds with two maturity dates and yields being; 2019 and 2022 at 3.15 and 3.65 %, respectively.

5. Appointment of Officers

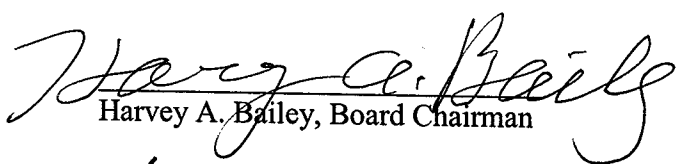
Director Katayama motioned to maintain current Officer appointments. Director Miller seconded the motion and the Board voted unanimously in favor of such. Harvey Bailey will remain as Chairman, Director Collin III will remain as Vice Chairman, Manager Morrissey will remain as Chief Executive Officer and Robert Ramirez as Chief Financial Officer.

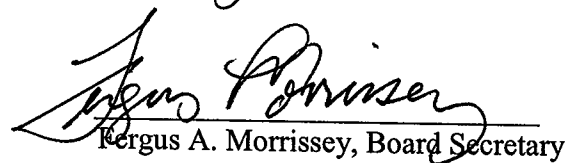
6. Other Business

No other business was discussed.

7. Adjourn

With no further business, at 11:49 the annual OCID Financing Corporation meeting was adjourned. The next meeting will be held on January 9, 2013 at the District Office at 11:30 A.M.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 8, 2012. The Meeting was called to order at 11:49 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III
David Brown
Russell Katayama
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary

Others: Robert T. Ramirez, Controller / Treasurer
John Sanders, Field Operations Supervisor
Keith Clem, Systems Operation Technician
Doug Anthony & Gary Weiss - EnerNOC

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. **Call to order.**

The regular Board of Directors meeting for February 2012 was called to order by President Bailey at 11:49 A.M.

2. **Additions to and approval of the Agenda.**

Manager Morrissey indicated that Item 11, "Abandonment of Capital Assets" would be added to the Agenda as revised and posted more than 24 hours prior to the meeting. Director Miller approved the revised agenda and Director Katayama seconded the motion. The **Board voted unanimously in favor of approving the agenda as revised.**

3. **Public Comments.**

No Public comment.

4. **EnerNOC Presentation.**

Messieurs Anthony and Weiss presented to the Board cash incentive options payable to the District for its voluntary curtailment of electrical consumption. Under various programs, cash would be paid to the District if the District agreed to be called on to forego energy consumption during periods when PG&E finds themselves having difficulty maintaining adequate energy flow in the grid. The time period when curtailment would be requested is generally during peak periods (11 a.m. to 7 p.m.) between June and September.

After discussion, the Board thanked EnerNOC representatives for the presentation and indicated they would discuss the matter further and have Manager Morrissey get back to them prior to the next meeting.

5. **Approval of Minutes**

The Board considered for approval draft minutes from the Regular and one Special January 2012 Board Meetings. Director Brown motioned to accept the two sets of minutes as provided in the Board packet/via email. Director Miller seconded the motion and the **Board voted unanimously in favor of accepting the two sets of January 2012 minutes.**

6. **Approval of Bills.**

Controller Ramirez discussed warrants totaling \$211,897.53 to be approved for the period January 12 to February 8, 2012.

Controller Ramirez noted several atypical expenditures including \$4,032.08 to FPA for QLLP (RO2), various refunds of water deposits, payment of \$400 to the SJVAPCD for permit application fees for fuel storage tanks and \$718.54 to Tommy Wilson for EOY Rebates and Water Programming.

After general discussion and no further questions, **Director Collin motioned to pay the bills as presented** and Director Brown seconded the motion. The Board voted unanimously in favor of the motion and second to pay the bills.

7. Monthly Report.

Controller Ramirez covered Items A through J of the monthly report, noting delinquent standby charges and water users, water deliveries to date and for the month, delivery comparison of Friant and District meters, KRSI year end power revenue, FWR power revenue, LAIF interest rate and balances and status of CD's held by the District for Capital Repayment and Rate Covenant Funds.

Controller Ramirez provided a table of water rebates by customer number, associated with deliveries during the 2011 uncontrolled season. Rebates totaling \$162,330 were made available to the landowners, proportional to their water use during the uncontrolled / 215 season. No action was taken by the Board, but the Board was pleased that staff was able to come through and create a benefit stemming from its request of landowners to use water to the maximum degree possible early last season.

Operations Supervisor Sanders covered his report noting a significant amount of O&M work by staff during the previous month.

Operations Technician Clem took some time to discuss with the Board the reasons why the District should consider purchasing new Human-Machine Interface Software program to replace the existing software (Lookout installed by Concepts in Controls) because it is outdated and being phased out and the District has no ability / "license" to modify and improve the tools that a SCADA hardware system can offer over time. This lack of flexibility to customize the software hinders optimizing available improvements in functionality of the existing SCADA system. Three options (vendors) were presented to the Board and a recommendation was made to the Board to go with the ClearSCADA software HMI option as it provides the greatest improvement for the least amount of cost. The Board directed staff to further explore and develop integration of this platform to replace the existing and to develop a timetable for transition. The Board indicated with would consider approving an expenditure next month pending final cost.

8. Water Supply

Manager Morrissey discussed the February 1 supply outlook based on DWR forecasted unimpaired SJR runoff, Reclamation's obligation to Holding Contract deliveries and dedicated flows for the SJRRP (Restoration). As of February 1, the 50% exceedence and 90% exceedence forecast correspond to 90% Class 1 and 54% Class 1, respectively. Since it has been dry since that time and the outlook for the month of February is below normal precipitation, it is possible that the 90% exceedence forecast may be closer to the eventual declaration compared to the 50% exceedence forecast, but it is most likely that the year will land somewhere between these two forecasts – time will tell.

Manager Morrissey discussed preparing a letter for all landowners relative to two major current issues:

1. the fact that the capital obligation has been fully paid and what that means as far as RRA compliance for growers that must submit forms, and
2. to lay out options for District growers to acquire water supply for the 2012 contract year, either:
 - a. on the open market, or
 - b. by intra-district transfer.

Manager Morrissey expressed that he would like to make available an internet based portal for intra-district / OCID to OCID landowner communication to facilitate connection of OCID sellers with OCID buyers. It is thought that this mechanism would serve to engender establishing a fair market value for water transfers within OCID. It was made clear that this portal would be closed to the public, with authorization to view the portal bestowed by District staff on a landowner request / District acceptance basis.

Notwithstanding the expectation that an internet based portal such as envisioned would likely not be used by anyone in the District, the Board agreed that there would be no harm in making it available and informing the landowners of the option. It is expected that sometime in the future, this technology will be embraced.

Manager Morrissey discussed various options for acquiring dry year supply with other Friant districts. It is still likely that this will not be necessary (i.e. under the 50% or even 75% exceedence forecasts), as there is time left for it to start to snow in the Sierra's SJR watershed. The Board encouraged continued pursuit of reasonable options.

Maintenance Manager of the Friant Water Authority, Eric Quinley, joined the discussion by teleconference to provide an update on any progress on managing the aquatic weed in the FKC. Specifically discussed was the process to garner legislation specific to the use of grass carp in the FKC or an amendment to Title XIV Section 6440-6459 of the California Fish and Game Code that would provide for such. The Board expressed to Mr. Quinley how important this issue is to water users and to let him know that they would be willing to do whatever (in accordance with the law of course) they could to facilitate the process.

9. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues. No action was taken by the Board on general issues.

10. Madera ID Water Bank Participation

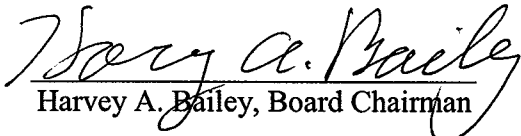
The Board discussed further conversations that Manager Morrissey had with Madera Valley LLC representatives Charles Stringer and Dave Dorrance. It was decided that the District would not pursue the option presented by MV LLC due to economic considerations.

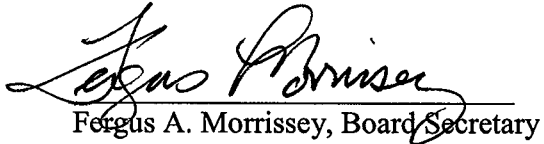
11. Abandonment of Capital Assets

Supervisor Sanders recapitulated the list of equipment that has been fully depreciated and / or no longer in possession of the District. Acquisition of these particular items dates back several decades, with the most recent item, the telephone system, acquired in 1987. Director Miller motioned to abandon assets on the list provided by staff. Director Katayama seconded the motion and the Board voted unanimously in favor of such.

12. Adjourn

With no further business to discuss, the Board of Directors meeting was adjourned at 3:25 P.M. with the next regular Board meeting scheduled for March 14, 2012 at 11:30 A.M. in the office of the District.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, March 14, 2012. The Meeting was called to order at 11:55 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III
David Brown
Arlen Miller (arrived at 1:15 P.M.)

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller / Treasurer

Others: John Sanders, Field Operations Supervisor
Mr. Paul B. Dirks, Laminar Energy Services

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

The regular Board of Directors meeting for March 2012 was called to order by President Bailey at 11:55 A.M.

2. Additions to and approval of the Agenda.

Manager Morrissey indicated that Item 18, City of Orange Cove Annexation, was added to the Agenda as revised and posted more than 24 hours prior to the meeting. Director Brown approved the revised agenda and Director Collin III seconded the motion. The **Board voted unanimously in favor of approving the agenda as revised.**

3. Public Comments.

Mr. Dirks discussed his background and services he had to offer to those present at the meeting. Mr. Dirks indicated that he is a Control Systems engineer, specializing in hydropower plant rehabilitation, modification and development under Build, Transfer and Operate options.

4. Approval of Minutes

The Board considered for approval draft minutes from the Regular Board Meeting and Orange Cove Finance Corporation meeting in February 2012. Director Brown motioned to accept the two sets of minutes as provided in the Board packet/via email. Director Collin III seconded the motion and the **Board voted unanimously in favor of accepting the two sets of February 2012 minutes.**

5. Approval of Bills.

Controller Ramirez discussed warrants totaling \$470,931.81 to be approved for the period February 9, to March 14, 2012.

Controller Ramirez noted several atypical expenditures including \$250 to Cuttone & Mastro for review of POS, \$83.73 to Premier Global Services for conference call charges, and \$4,819 to ACWA JPA for Property Insurance coverage premium.

After general discussion and no further questions, **Director Collin motioned to pay the bills as presented** and Director Brown seconded the motion. The Board voted unanimously in favor of the motion and second to pay the bills as presented.

6. Monthly Report.

Controller Ramirez covered Items A through J of the monthly report, noting delinquent standby charges and water users, water deliveries to date and for the month, delivery comparison of Friant and District meters, KRSH year end power revenue, FWR power revenue, LAIF interest rate and balances and status of CD's held by the District for Capital Repayment and Rate Covenant Funds.

End of 2011 contract year water totals were covered noting a total carryover of 1,491 acre feet and a total usage of 48,580 acre feet during the March 2011-february 2012 period. Frost water deliveries during the 2011 contract year were abnormally high with a total December – February usage of 2,576 acre feet compared to the previous five year average of 671 acre feet.

It was noted that the year to date difference between canal side meters and landowner meters was 20 acre feet out of a District wide delivery of 28,523 acre feet, a discrepancy of 0.07%.

It was noted that FWR revenue is far below (approximately 50%) previous years due to the plummeting cost of natural gas and its impact on SRAC pricing. Manager Morrissey informed the Board that staff decided on the option to select for the new QF contract and payments under the new contract will be marginally better.

Controller Ramirez recapped the orders received to date by way of a nine page spreadsheet differentiating orders by those ordering less than 1.4 vs. 1.4 or more feet per acre, late applications and no applications. 2012 acre feet ordered are 35,606 acre feet 20,395 of which would not be available under a 35% declaration with 1491 acre feet of carryover.

Operations Supervisor Sanders covered his report noting a significant amount of O&M work by staff during the previous month including repair of a 24 inch gravity line running adjacent to Adams Avenue which required the help of Agri-Valley Irrigation to assist given the staff's limited field resources and current workload.

7. Water Supply

Manager Morrissey discussed the current supply outlook based on DWR forecasted unimpaired SJR runoff, Reclamation's obligation to Holding Contract deliveries and dedicated flows for the SJRRP (Restoration). Since the previous Class 1 declaration of 35%, the dry conditions that have ensued suggest that this declaration will drop, perhaps to 25% Class 1. The Bureau has asked for schedules reflecting that allocation. Manager Morrissey noted that a pretty significant storm is expected for the weekend, which could produce 3 feet of snow and substantially help the water supply situation.

Manager Morrissey discussed various acquisition of water supply from other Friant districts including Lower Tule River ID and Arvin Edison WSD. It was noted that the exchange agreement with Tulare ID appeared to be viable which will provide 2,500 acre feet but that at this time there are no willing sellers in a reasonable price range given the potential for a 50% Class 1 final allocation if subsequent average hydrology develops.

8. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues, noting a meeting he attended with Ms. Carla Peterman (a California Energy Commissioner), Michael Boccadoro (AECA), Jeff Meith, and Greg Reichert. The meeting appeared to be productive in that the Energy Commission has a clear understanding of FPA's position on the QF issue and seemed supportive. No action was taken by the Board on general issues.

The Renewable designation question regarding the FPA RO# 2 plant is causing delay in determining plant size design, executing a Power Purchase Agreement, obtaining financing, etc....which is delaying progress on the project overall.

9. Capital Budget

The Board reviewed the 5 year capital budget. Major capital items included in the five year projection include – one traveling trash screen per year at a District turnout, HMI/SCADA software for 2012, FWR power plant SCADA upgrade in 2012, 2014 and 2016, two half-ton pickup trucks in 2015, pump station flow meters in 2012-2016, meter test facility in 2012 and VFD replacement over each of the next five years. VFD replacement is to be done on an as needed basis and budgeted amount is based on forecasted failure of existing devices.

Director Miller motioned for the Board to approve the 5 year capital budget as presented by staff. Director Brown seconded the motion. ***The Board voted unanimously (note that Director Katayama was absent from the meeting) in favor of approving the capital budget.***

10. Closed Session – Real Property Negotiations.

- a. The Board went into Closed Session at 3:30 P.M. with Special Counsel Sawyers having a discussion on real property rights (Mill Creek water right).

11. Return to Open Session.

- a. The Board returned to Open Session at 4:10 P.M. with no reportable action taken during closed session.

12. Disposition of Capital Repayment Residual Funds.

The Board discussed options for disposition of residual funds in the 9d Capital Repayment account. Given the limited return on certificates of deposits borne by the market at this time and this year's dry hydrology the Directors agreed that the ***funds should be put into LAIF*** as a reserve to cover incremental costs associated with the limited water supply. It was discussed, for example, that growers will benefit from the District's covering incremental costs associated with recirculation of SJRRP releases captured in San Luis Reservoir and other incidental costs incurred by the District to affect water exchange programs.

13. SCADA-HMI Software

Expenditure of funds necessary was approved in Agenda Item 9.

14. Meter Test Facility

Expenditure of funds necessary was approved in Agenda Item 9.

15. Contribution to AECA

Manager Morrissey discussed with the Board the efforts of AECA in their role to engage the California Energy Commission on the RO2 QF issue. Director Miller motioned to contribute \$2,000 to the AECA in recognition of their specific efforts in this regard as well as their efforts in general which are deemed to have direct benefits on agricultural energy consumers. Director Brown seconded the motion and the Board voted unanimously in favor.

16. Friant Water Authority Issues

Manager Morrissey and the Board discussed the letter FWA received from RD Glaser regarding his decision on west side flood reduction impacts stemming from the SJRRP. RD Glaser's opinion is that the west side CVP contractors are harmed and one of the mitigation tools is Friant Contractor's surrender of recaptured water during Wet and Normal Wet (Class 2 supplies entirely support the SJRRP flows) hydrologic years, as defined in the Settlement.

17. Family Farm Alliance Conference Summary

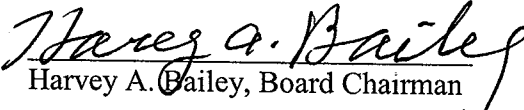
Manager Morrissey briefed the Board on the FFA meeting in Las Vegas.

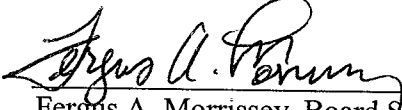
18. City of Orange Cove Annexation of WWTP Property

Manager Morrissey discussed the recent correspondence exchanged on this topic. No action was taken by the Board.

19. Adjourn

With no further business to discuss, the Board of Directors meeting was adjourned at 4:30 P.M. with the next regular Board meeting scheduled for April 11, 2012 at 11:30 A.M. in the office of the District.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Thursday, April 12, 2012. The Meeting was called to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III
David Brown
Russell Katayama
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary

Others: John Sanders, Field Operations Supervisor
Ms Ann Warring

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

The regular Board of Directors meeting for April 2012 was called to order by President Bailey at 11:50 A.M.

2. Additions to and approval of the Agenda.

Manager Morrissey indicated that Item 10, Resolution 2012-02 concerning integration of JPIA and ACWA HBA was added to the Agenda and posted more than 24 hours prior to the meeting. Director Miller approved the revised agenda and Director Brown seconded the motion. The **Board voted unanimously in favor of approving the agenda as revised.**

3. Public Comments.

None

4. Approval of Minutes

The Board considered for approval draft minutes from the Regular Board Meeting held in March 2012. Director Brown motioned to accept the draft minutes as provided in the Board packet/via email. Director Collin III seconded the motion and the **Board voted unanimously in favor of accepting the draft March 2012 minutes.**

5. Approval of Bills.

Manager Morrissey discussed warrants totaling \$261,243.82 to be approved for the period March 15 to April 11, 2012.

Manager Morrissey noted several atypical expenditures including \$1,500 contribution to the Family Farm Alliance a \$2,000 contribution to AECA and payment of \$425 to BISK Education Inc, for continuing education / CPA professional training taken by Controller Ramirez.

After general discussion and no further questions, **Director Miller motioned to pay the bills as presented and Director Collin III seconded the motion.** The Board voted unanimously in favor of the motion and second to pay the bills as presented.

6. Monthly Report.

Manager Morrissey covered Items A through J of the monthly report, noting delinquent standby charges and water users, water deliveries to date and for the month, delivery comparison of Friant and District meters, KRSR power revenue, FWR power revenue, LAIF interest rate and balances and status of CD's held by the District for Capital Repayment and Rate Covenant Funds.

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. It was also noted that the installation of the travelling trash screen was all but complete (some very minor punch list items remain).

No action was taken by the Board.

7. Water Supply

Manager Morrissey discussed the current supply outlook based on DWR forecasted unimpaired SJR runoff, Reclamation's obligation to Holding Contract deliveries and dedicated flows for the SJRRP (Restoration). At the time of the Board Meeting, the Bureau had not updated its water supply declaration. The wet spring conditions will undoubtedly result in an increase to the standing 35% Class 1 declaration, however it is uncertain as to the revised level. It was speculated that the hydrology and operations supported a 45-55% declaration, however that remains to be seen.

Manager Morrissey discussed the acquisition of a 1,000 acre foot block of water acquired from another Friant district that he planned to set aside for sale to individuals on an as needed basis at approximately two times the cost of regular District supply. This separate pool, the quantity of which shall not be combined with other District supplies to bolster the effective grower allocation, was acquired specifically for growers that do not have operational flexibility in their farming operations as far as water supplies are concerned.

Director Katayama made a motion that this separate 1,000 acre foot supply be made available to individual entities up to a maximum of 100 acre feet. Director Collin III seconded that motion and the Board voted unanimously in favor to impose this limitation so as to protect smaller growers within the District from having access to this supply.

8. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues, noting the status of the renewable aspect of the RO2 plant. It was noted that a path has been determined that will render the new 7 MW RO plant as a generator of a "renewable" energy thereby increasing its value.

9. Friant Water Authority

Manager Morrissey discussed various issues associated with the broader Friant water user community.

No action was taken by the Board.

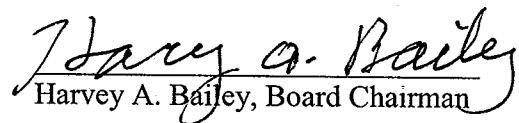
10. HBA – JPIA Resolution 2012-02.

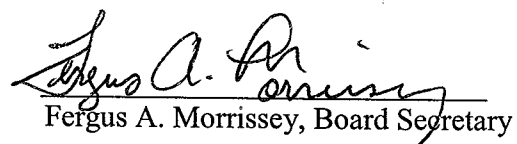
The Board considered Resolution 2012-02 granting the District's authorization of the dissolution of the ACWA Health Benefits Authority so that it may be absorbed by the ACWA JPIA in order to streamline the functionality of the HBA and result in potential cost savings to those whose medical insurance is under the ACWA health plan.

Director Collin III motioned for the Board to adopt resolution 2012-02. Director Brown seconded the motion to adopt Resolution 2012-02. The Board voted unanimously in favor of adopting Resolution 2012-02.

11. Adjourn

With no further business to discuss, the Board of Directors meeting was adjourned at 2:30 P.M. with the next regular Board meeting scheduled for Tuesday May 1, 2012 at 11:30 A.M. in the office of the District.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, May 1, 2012. The Meeting was called to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III, Vice Chairman
David Brown
Russell Katayama
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: John Sanders, Field Operations Supervisor

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. **Call to order.**

The regular Board of Directors meeting for May 2012 was called to order by President Bailey at 11:50 A.M.

2. **Additions to and approval of the Agenda.**

Director Brown approved the agenda and Director Collin III seconded the motion. The **Board voted unanimously in favor of approving the agenda as mailed.**

3. **Public Comments.**

None

4. **Approval of Minutes**

The Board considered for approval draft minutes from the Regular Board Meeting held in April 2012. Director Miller motioned to accept the draft minutes as provided in the Board packet/via email. Director Collin III seconded the motion and the **Board voted unanimously in favor of accepting the draft April 2012 minutes.**

5. **Approval of Bills.**

Controller Ramirez discussed warrants totaling \$313,741.96 to be approved for the period April 12 to May 1, 2012.

Controller Ramirez noted several atypical expenditures including \$3,527 for quarterly workers compensation insurance premium, \$33,410.24 for FWA April call for funds, and \$956.67 to Allied Electric for Turnout 9 Motor repair.

After general discussion and no further questions, **Director Katayama motioned to pay the bills as presented and Director Miller seconded the motion.** The Board voted unanimously in favor of the motion and second to pay the bills as presented.

6. **Monthly Report.**

Controller Ramirez covered Items A through K of the monthly report, noting delinquent standby charges and two delinquent water users, water deliveries of 597 acre feet to date in the Contract Year (March and April) with 241 acre feet for the month of April, zero KRSH power revenue for the month of March, FWR power generation of 272.4 Megawatt hrs for March, LAIF interest rate of 0.383% down 0.006% from last month, balances and status of District cash in the Capital Repayment and Rate Covenant Funds and the status of orders / cash receipts for the 1,000 acre foot dry year water pool (295 acre feet of the original 1,000 acre feet remains as of May 1).

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. It was also noted that the installation of the travelling trash screen was complete.

Directors Brown, Katayama and Miller indicated that they would like to attend the ethics training sponsored by the KDWCD at the Tulare Agricultural Center on August 2nd.

No action was taken by the Board.

7. Water Supply

Manager Morrissey discussed the current supply outlook based on DWR forecasted unimpaired SJR runoff, Reclamation's obligation to Holding Contract deliveries and dedicated flows for the SJRRP (Restoration). At the time of the Board Meeting, the Bureau had updated its water supply declaration from 45% to 50% Class I.

Manager Morrissey noted that the amount of recaptured water available for recirculation out of San Luis Reservoir was increasing along with the water supply. With limited exchangeable demand in the Friant system, it appears that a significant portion of the recaptured water will not be able to be recirculated this year and alternative dispositions of that asset will be explored.

No action was taken by the Board.

8. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues, noting the status of the renewable aspect of the RO2 plant. Discussions of financing the plant (among FPA financing participants) are about to begin. OCID is not expected to be a financing participant however that course remains an option at this time.

No action was taken by the Board.

9. Friant Water Authority

Manager Morrissey discussed various issues associated with the broader Friant water user community.

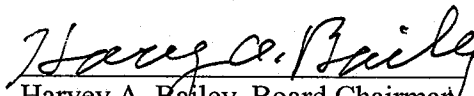
No action was taken by the Board.


10. Investment Policy

The Board considered the 2012 Draft Investment Policy which is unchanged from the previous' years policy. Director Brown motioned for the Board to adopt the 2012 draft Policy and Director Katayama seconded the motion. The Board voted unanimously in favor of adopting the 2012 draft Policy

11. Adjourn

With no further business to discuss, the Board of Directors meeting was adjourned at 2:13 P.M. with the next regular Board meeting scheduled for Wednesday June 13, 2012 at 11:30 A.M. in the office of the District.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday June 13, 2012. The Meeting was called to order at 11:54 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III, Vice Chairman
David Brown
Russell Katayama
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: Joe Mastro (Cuttone & Mastro CPAs)
John Sanders, Field Operations Supervisor

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. **Call to order.**

The regular Board of Directors meeting for June 2012 was called to order by President Bailey at 11:54 A.M.

2. **Additions to and approval of the Agenda.**

Director Brown approved the agenda and Director Katayama seconded the motion. The **Board voted unanimously in favor of approving the agenda as mailed.**

3. **Public Comments.**

None

4. **Approval of Minutes**

The Board considered for approval draft minutes from the Regular Board Meeting held in May 2012. Director Miller motioned to accept the draft minutes as provided in the Board packet/via email. Director Brown seconded the motion and the **Board voted unanimously in favor of accepting the draft May 2012 minutes.**

5. **Approval of Bills.**

Controller Ramirez discussed warrants totaling \$636,899.21 to be approved for the period May 2, 2012 to June 13, 2012.

Controller Ramirez noted several atypical expenditures including \$25,000 payable to the USBR for their activities associated with the FPA 2 Hydropower Project, \$1,452.00 to the SJVAPCD for permitting compliance costs associated with the District's above ground gasoline storage tank, \$806.15 to the CVPWA litigation associated with the District / SWRCB water right fee contestation, and \$107,058.77 to the Friant Water Authority for SLDMWA's May 15 billing. The SLDMWA billing was questioned by Director Collin III as it exceeds the typical billing. Manager Morrissey explained that the reason for the inordinately large bill was due to much larger than average deliveries to the Exchange Contractors during the month of May. The larger deliveries were due to an increase in their water allocation, from critically dry to normal, which increases their available supply for the year. Prior to the revised allocation, their diversion of water, during February, March and April, had been below normal and the District's share during that period have been below average. So in essence the large May billing resulted from their "catching up" on total diversion based on an increased water supply being made available to them.

After general discussion and no further questions, **Director Miller motioned to approve bill payments as presented and Director Collin III seconded the motion.** The Board voted unanimously in favor of the motion and second to approve bill payment as presented.

6. **Monthly Report.**

Controller Ramirez covered Items A through H of the monthly report, noting delinquent standby charges and four delinquent water users; three of which have made payment

arrangements. Receipt of \$14,789 from Fresno County was noted (Teeter Tax), water deliveries of 3,333 acre feet to date in the Contract Year (March -May), \$20,625.69 in revenue from KRSR in April, FWR power generation of 276.9 Megawatt hrs for April, LAIF interest rate of 0.367% down 0.016% from last month, and balances and status of District cash in the Capital Repayment and Rate Covenant Funds.

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. Progress with the installation of the meter test facility was discussed and the Board was apprised of the progress and utility. There were no other outstanding items to discuss with the Board and no action was taken.

Directors Brown, Katayama and Miller indicated that they would like to attend the ethics training sponsored by the KDWCD at the Tulare Agricultural Center on August 2nd.

Manager Morrissey discussed the Mill Creek water right status and the June 5, 2012 letter from the Tehama County BOS to the Napa County BOS regarding use of Mill Creek water for development in Napa.

Manager Morrissey discussed the potential for the District to hire, on a temporary basis, a summer field worker to assist the Operations Department while District Staff attends to implementation of new and improved SCADA Software.

No action was taken by the Board.

7. 2011 Financial Audit

Joe Mastro, with Cuttone & Mastro, presented the Board with findings associated with their audit of the District's financial statements ending December 31, 2011 and December 31, 2010 as detailed in their report dated May 17, 2012. Mr. Mastro indicated that the review did not reveal any processes that should be altered and that there were no findings of concern relative to the accuracy or rigor of the financial accounting of the District. The audit revealed the financial statements are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and account groups required by generally accepted accounting principles to be included in the financial reporting entity.

After discussion, **Director Brown motioned to accept the audit report of Cuttone & Mastro. Vice Chairman Collin III seconded the motion and the Board voted unanimously in favor of the motion.**

8. Water Supply

Manager Morrissey discussed the current supply outlook based on DWR forecasted unimpaired SJR runoff, Reclamation's obligation to Holding Contract deliveries and dedicated flows for the SJRRP (Restoration). At the time of the Board Meeting, the Bureau's water supply declaration is 55% Class 1 which is up 5% from last month's declaration.

Manager Morrissey noted that the amount of recaptured water available for recirculation out of San Luis Reservoir was increasing along with the water supply and this year's total is expected to be over 6,000 acre feet. Of those 6,000 acre-feet, the District will receive approximately 2,500 acre-feet as a result of a transfer with Arvin Edison WSD. With limited exchangeable demand in the Friant system, Manager Morrissey arranged for a transfer of 1,500 acre feet of recaptured water to west side farming interests so as to minimize holding on to a stranded asset. At this time it appears that there may remain approximately 2,000 acre feet of unrecoverable water and options for its ultimate disposition will be further explored.

All in all, the District's available water supply this year is approximately 80% of its Class 1 amount, notwithstanding the fact that the Bureau's declaration is 55%.

No action was taken by the Board.

9. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues. It was noted that a Power Purchase Agreement (PPA) was executed with the City of Santa Clara for power generated by FPA 1. That contract goes into effect in 2015 when the PG&E PPA terminates. It was also noted that the FPA is close to executing a PPA for FPA 2 and is in the final stages of drafting that agreement.

No action was taken by the Board.

10. Water Operations Credit Card

Manager Morrissey discussed the option of providing the Operations Staff with a credit card for miscellaneous purposes. The Board expressed that discretion was up to District Management, but thought that it was a reasonable proposition.

No action was taken by the Board.

11. Friant Water Authority

Manager Morrissey discussed various items associated with the FWA including planned aquatic weed treatment (chemical) on approximately 15 miles of the FKC beginning near Alta Avenue and extending toward Avenue 432, installation of several algae detectors in the FKC for improved (expectedly) implementation of the copper sulfate program activity and issues associated with "3rd" party impacts of the San Joaquin River Restoration Program.

No action was taken by the Board.

12. Workers Compensation Insurance

Controller Ramirez received three vendor bids for workers compensation insurance coverage subsequent to requesting a total of nine bids individual vendors. Security National was deemed to provide the most valued coverage – equal coverage at the lowest cost and was the staff recommendation.

Director Brown motioned to select Security National in line with staff recommendation. Vice Chairman Collin III seconded the recommendation and the Board voted unanimously in favor of selecting Security National as the District's workers compensation insurance carrier beginning July 1, 2012.

13. Closed Session – Personnel Review

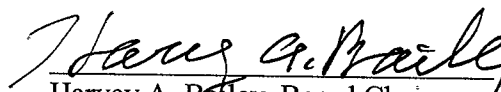
The Board went into closed session to discuss personnel performance and compensation at 3:50 P.M.

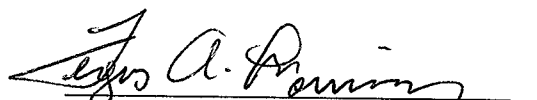
14. Return to Open Session

At 4:26 the Board returned to Open Session and disclosed **Director Katayama motioned and Director Miller seconded the motion approving Manager Morrissey's recommendations relative to baseline and step increases for District Staff.**

15. Adjourn

With no further business, the Board adjourned at 4:40 P.M. with the next scheduled Board meeting set for 11:30 A.M. July 11, 2012 at the District's Office at 1130 Park Boulevard, Orange Cove, California.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III, Vice Chairman
David Brown
Russell Katayama
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller
John C. Sanders, Operations Manager

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. **Call to order.**

The regular Board of Directors meeting for July 2012 was called to order by President Bailey at 11:58 A.M.

2. **Additions to and approval of the Agenda.**

Director Brown approved the agenda and Director Katayama seconded the motion. The **Board voted unanimously in favor of approving the agenda as mailed.**

3. **Public Comments.**

None

4. **Approval of Minutes**

The Board considered for approval draft minutes from the Regular Board Meeting held in June 2012. Director Collin III motioned to accept the draft minutes as provided in the Board packet/via email. Director Miller seconded the motion and the **Board voted unanimously in favor of accepting the draft June 2012 minutes.**

5. **Approval of Bills.**

Controller Ramirez discussed warrants totaling \$557,944.53 to be approved for the period June 12, 2012 to June 02, 2012.

Controller Ramirez noted several atypical expenditures including \$2,250 payable to Cuttone & Mastro as final installment for the 2011 fiscal year financial audit, \$4,625 to Security National Insurance Corporation for the first installment of annual worker's compensation insurance, \$55,027.50 to U.S. Bank Trust for the first of two biannual interest only payments for the 9d Contract payment / Water Revenue Refunding Bonds issued in February of 2012, and \$7,915.14 to Friant Power Authority for development of the QLPP at Friant Dam.

Director Miller questioned the ongoing payments to Techno Flow for meter repair parts. Supervisor Sanders noted that the recent history of payables to Techno Flow arrived from both meter repair parts, which is an ongoing necessity that has been tracking no greater than normal and for new meters to replace improper meters long ago purchased for the pump stations and for a the meter test facility being constructed at Station 6. Supervisor Sanders also noted that he had discussions with the manufacture on buying meter parts directly and found the prices from Techno-Flo to be more competitive.

After general discussion relative to meters and landowner operation to avoid flow registering and no further questions on specific payables, **Director Katayama motioned to approve bill payments as presented and Director Brown seconded the motion.** The Board voted unanimously of favor of the motion and second to approve bill payment as presented for the noted period.

6. **Monthly Report.**

Controller Ramirez covered Items A through H of the monthly report, noting delinquent standby charges and one delinquent water user. Controller Ramirez noted that the District's "collection department" has been actively pursuing delinquent Standby payments and is making progress. It was noted to the Board that lien letters will be prepared next month in stepped up pursuance of residual Standby delinquencies. It was noted that June water deliveries totaled 4,071 acre feet and water deliveries to date in the Contract Year (March –

June) total 7,404 acre feet, \$0 in revenue from KRSR in May, and FWR power generation of 320,012 kilowatt hours for May. Updated information on LAIF interest rate and balances and status of District cash in the Capital Repayment and Rate Covenant Funds was not available at the time of the Board meeting.

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. Hiring of a temporary, part time employee was further discussed and it was noted that this option was being pursued. There were no other outstanding items to discuss with the Board and no action was taken.

No action was taken by the Board.

7. Water Supply

Manager Morrissey discussed the just released dewatering schedule provided by the FWA which notes that the District will have no surface water available after the first week of October through the end of January. Manager Morrissey would be providing, immediately, a letter to all landowners in the District of this operational constraint so that they may plan accordingly. Aside from this, no revised water declaration has been made by the Bureau as of yet but a water supply meeting will be held Friday the 13th of July. While it is expected that there will be no decrease in allocation, which is currently at 55%, given the date of the meeting, there is marginal concern.

No action was taken by the Board.

8. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues. It was noted that a Power Purchase Agreement (PPA) for the QLPP was executed by the City of Santa Clara on this day. While it was the Boards intent to allow for cash payment of the QLPP, extremely favorable financing options may reveal and were discussed. At this time the Board is open to cash or financing or some combination thereof based on terms that evolve. These discussions will be soon had by FPA given that the hurdles have been cleared and unanswered questions resolved rendering the project poised to make significant progress.

No action was taken by the Board.

9. District Water Rights

Manager Morrissey discussed the Mill Creek water right status and consideration of the District, along with a conservation group, pursuing a State Board permit for changed point of diversion. In depth consideration of this option is being undertaken by District legal counsel in conjunction with Napa Redevelopment Partners.

No action was taken by the Board.

10. Friant Water Authority

Manager Morrissey discussed various items associated with the FWA including planned aquatic weed treatment (chemical) on the FKC, and the Framework for Implementation of the SJR Restoration Project.

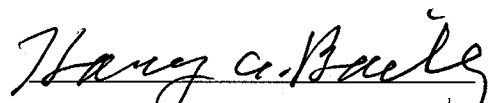
No action was taken by the Board.

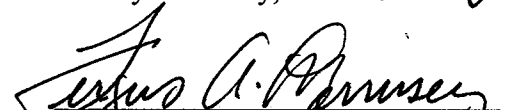
11. Irrigated Lands Regulatory Program – Draft General Order for the Tulare Lake Basin

Manager Morrissey briefed the Board on the significant regulatory program emerging for surface and groundwater discharges from irrigation agriculture and the General Order that the Regional Water Quality Control Board released on the evening of the 10th of July. After much discussion, it was the position of the Board that greater outreach to the regulated community was needed so that a more reasonable and cost effective and appropriate action be taken by the Regional Board given the facts. It was the wish of the Board that the FWA use their Waterline as a vehicle to outreach and educate the farming community in the FWA service area.

12. Adjourn

With no further business, the Board adjourned at 3:25 P.M. with the next scheduled Board meeting set for 11:30 A.M. on Monday August 13, 2012 at the District's Office at 1130 Park Boulevard, Orange Cove, California.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday August 13, 2012. The Meeting was called to order at 11:57 A.M., with the following Directors and Officers present:

- Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III, Vice Chairman
David Brown
Russell Katayama
Arlen Miller
- Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller
John C. Sanders, Operations Manager
- Others: Gary Horn, Yamabe & Horn, Engineer – City of Orange Cove

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

Chairman of the Board Bailey called the regular Board of Directors meeting for August 2012 to order at 11:57 A.M.

2. Additions to and approval of the Agenda.

Manager Morrissey requested an addition to the mailed agenda to include discussion by the Board relating to consideration of an exception to Board Policy regarding the transfer of groundwater outside of the District boundary (to the City of Orange Cove) for the exclusive purpose of temporary/short term water supply for the City during this winter's contemplated dewatering period. Director Brown approved the agenda and Director Miller seconded the motion. The ***Board voted unanimously in favor of approving the agenda as modified.***

3. Public Comments.

None

4. Approval of Minutes

The Board considered for approval draft minutes from the Regular Board Meeting held in July 2012. Director Brown noted an error in the date reference in Agenda Item #1, pointing out that "June" should be replaced with "July". With that correction noted, Director Collin III motioned to accept the minutes and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft July 2012 minutes with the noted correction.***

14. Groundwater Transfer to the City of Orange Cove

In the interest of scheduling consideration for the City of Orange Cove Engineer Gary Horn, the Board jumped to Agenda Item # 14. Manager Morrissey and Engineer Horn provided the Board with a summary of the serious milfoil weed problem in the FKC and the envisioned treatment method provisionally planned this winter by the Friant Water Authority. This treatment plan will impact the City of Orange Cove's ability to provide municipal supply to its residents during an extended dewatering period. Engineer Horn discussed with the Board the potential short term / temporary solution of having individual growers within the District transfer groundwater using their own private wells into the District's infrastructure for conveyance to the City's water treatment plant as needed to get the City through the dewatering period. Engineer Horn indicated that the City's daily consumption during the wintertime required an input of 900 gallons per minute. The City will use its available storage and existing wells available to it so that it will not need groundwater underlying the District for the entire dewatering period and likely not at a level of 900 gallons per minute.

After discussion amongst the Board, it was the consensus that this water supply option had merit of pursuit and investigation and outreach to individual growers within the District by Engineer Horn was recommended. The Board committed itself and District staff to facilitate in any way possible exploration of this issue as the treatment of the milfoil this year hinges on the ability of the City to maintain winter deliveries to its residents. Pending the advancement of a plan by Engineer Horn and acquiescence (in the form of executed agreements) by District landowners and an acceptable agreement with the District for use of its infrastructure the Board will consider relaxation of the District policy (for this specific one time purpose) that presently precludes transfer of groundwater water outside of the District.

10392
5. **Approval of Bills**

Controller Ramirez discussed warrants (less discounts) totaling \$409,445.40 to be approved for the period July 3, 2012 to August 10, 2012.

Controller Ramirez noted several atypical expenditures. Director Brown inquired as to the 11 acre-feet delivered under the M&I category. It was noted that all deliveries to parcels less than or equal to five acres are considered "M&I" notwithstanding the fact that the water is not for household use.

Following general discussion of the bills presented, Director Miller motioned to pay them as presented. Upon a second of Director Brown, the Board voted unanimously in favor of paying the warrants as presented by Controller Ramirez.

6. **Monthly Report.**

Controller Ramirez covered Items A through I of the monthly report, noting delinquent standby charges and delinquent water users. Progress on receipts was made by the District's "collection department" over the previous month, noting \$47,988.56 of the total \$113,445.40 delinquent received. Part of the success was due to the issuance of lien letters since the previous Board meeting. Delinquent water users were noted. Controller Ramirez summarized the other receivables category noting miscellaneous charges received for repair of District infrastructure by landowners and as a result of insurance from an auto accident.

Water use to date was recapped, showing usage through July of 12,318 acre-feet. Manager Morrissey discussed carryover for next year, noting that there would be the potential for carryover of over 5,000 acre-feet based on historical usage and no frost water this year (dewatering this winter).

Discrepancy between District meters and FWA canal side meters continues to be small ($143/12,318 = 1.16\%$) and explainable by differences in timing of the readings.

Controller Ramirez noted revenue from the KRSH, Fishwater Hydropower plant, the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund.

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. Hiring of a temporary, part time employee was noted to have occurred and that the day of this Board meeting is the first day of this employee. There were no other outstanding items to discuss with the Board and no action was taken.

No action was taken by the Board.

7. **Water Supply**

With the likelihood of a dry year somewhat more likely and certainly more daunting next year on the heels of a dry 2012, the Board considered it wise to be prepared with carryover for next year as an insurance policy. As a result, Manager Morrissey will not pursue alternate dispositions of the District's available water supply.

8. **Electrical Power**

Manager Morrissey discussed with the Board various hydropower plant and FPA issues.

District staff needs to respond to a proposal by Reclamation relative to routing an additional 20 cfs from Friant Dam to the CDF&G SJR Hatchery.

The Board took no action.

9. **District Water Rights**

Manager Morrissey discussed the Mill Creek water right status. The Board's consensus was that it is not inclined to extend the Option Agreement with Napa Redevelopment Partners, which terminates at 5:00 P.M. on September 30, 2012.

The Board agreed that pursuit of a State Board 1707 Permit is worthy of consideration and Manager Morrissey will further develop this potential action with Counsel Sawyers.

The Board took no action.

10. **Friant Water Authority**

Manager Morrissey discussed various items associated with the FWA including planned aquatic weed treatment (chemical) on the FKC and issues associated with the dispute resolution underway between the Friant Water Authority and the Bureau of Reclamation in relation to Settlement interpretation.

The Board took no note

11. Irrigated Lands Regulatory Program – Draft General Order for the Tulare Lake Basin

Manager Morrissey discussed the upcoming August 21st Regional Water Quality Control Board workshop on the ILRP. The Board took no action.

12. Per Diem

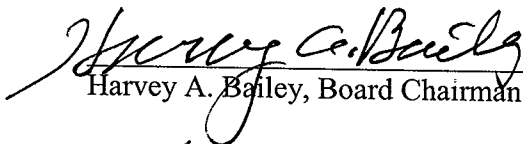
After consideration of the Per Diem M&IE option outlined in the packet, the Board had no inclination to follow this daily allowance option and preferred to stay with the current expense reimbursement method.

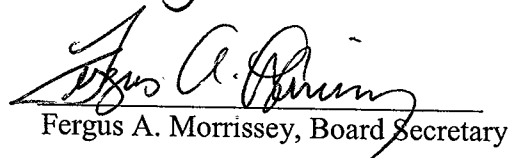
13. Certificates of Lien

Controller Ramirez prepared a list of landowners who have stand-by delinquencies. The Board considered Resolution 2012-03, approving the District to claim and record a lien on parcels with stand-by delinquencies as noted in the aforementioned list provided to the Directors in the meeting packet. Director Collin III motioned to adopt Resolution 2012-03, this motion was seconded by Director Brown and voted unanimously in favor of by the full Board of the Orange Cove Irrigation District.

15. Adjourn

With no further business, the Board adjourned at 3:55 P.M. with the annual Board of Equalization meeting scheduled for 12:00 Noon on Wednesday September 12, 2012 at the District's Office with the Regular monthly Board of Directors meeting to follow immediately thereafter at 1130 Park Boulevard, Orange Cove, California.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday September 12, 2012. The Meeting was called to order at 12:08 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
 H.A. "Gus" Collin III, Vice Chairman
 David Brown
 Russell Katayama
 Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
 Robert T. Ramirez, Controller
 John C. Sanders, Operations Manager

Others: None

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

Chairman of the Board Bailey called the regular Board of Directors meeting for September 2012 to order at 12:08 P.M.

2. Additions to and approval of the Agenda.

Manager Morrissey requested an addition to the mailed agenda to include discussion of and consideration of approval of a draft water conveyance agreement between the District and the City of Orange Cove. Director Brown approved the agenda and Director Katayama seconded the motion. The ***Board voted unanimously in favor of approving the agenda as modified.***

3. Public Comments.

None

4. Approval of Minutes

The Board considered for approval draft minutes from the Regular Board Meeting held in August 2012. Director Brown motioned to accept the minutes and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft August 2012 minutes.***

5. Approval of Bills

Controller Ramirez discussed warrants (less discounts) totaling \$425,035.35 to be approved for the period August 11, 2012 to September 6, 2012.

Controller Ramirez noted several atypical expenditures. Director Miller inquired as to the \$3.39 per acre foot cost paid to the SLDMWA. It was explained that this charge was levied on the recaptured water residing in San Luis Reservoir and is the unit cost determined by the SLMWA Board of Directors for O&M levied on all water stored and delivered on behalf of CVP contractors.

Following general discussion of the bills presented, Director Collin III, motioned to pay them as presented. Upon a second of Director Miller, the Board voted unanimously in favor of paying the warrants as presented by Controller Ramirez.

6. Monthly Report.

Controller Ramirez covered Items A through J of the monthly report, noting delinquent standby charges and delinquent water users. Controller Ramirez summarized the other receivables category noting miscellaneous charges received for repair of District infrastructure.

Water use to date was recapped, showing usage through August of 17,803 acre-feet. Manager Morrissey discussed carryover for next year, noting that there would be the potential for carryover of approximately 7,000 acre-feet based on historical usage and lack frost water this year (dewatering this winter).

Controller Ramirez noted revenue from the KRSH, Fishwater Hydropower plant, the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund. Manager Morrissey noted that due to the new price point for power generated by the District under its current contract, the revenue generated from the Fishwater Power Plant will drop by approximately \$100,000 annually.

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. Notably, the staff is struggling with maintaining deliveries due to system obstruction by the milfoil being drawn into the system. In order to maintain deliveries, pumping plant sites were modified to facilitate pump back flushing.

Director Collin III, noted that it appeared to take a greater than adequate time for District staff to respond to a leak on the system and stop the flow of water caused by an auto accident in the middle of the night. Staff noted that the answering service took 45 minutes to contact someone on the staff and once notified, pumps were immediately shut off and valves at the site were closed within 45 minutes of the time of notification. Director Collin requested improvements be made to allow quicker response to emergencies.

No action was taken by the Board.

7. Water Supply

With the likelihood of a dry year somewhat more likely and certainly more daunting next year on the heels of a dry 2012, the Board considered it wise to be prepared with carryover for next year. As a result, Manager Morrissey will not pursue alternate dispositions of the District's available water supply. The Bureau did declare an additional 2% Class 1. The Board requested that Manager Morrissey send out a letter to all landowners in the District that have an application on file for water this year that additional supplies are available, if they have consumed their order or expect to before the end of the season. In that regard, it was noted that it was anticipated that some of the District deliveries would be able to deliver water into the first or second week of November this year, according to the draft dewatering schedule. The Board requested that the aforementioned letter include details by turnout location pertaining to the date when deliveries would no longer be possible. *Manager Morrissey indicated he would prepare a letter immediately and send it out to noted landowners.*

8. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues.

Most notably, the FPA has requested an irrevocable letter of commitment from each participating member in the QLPP project as to the form of their financing, whether it be cash or bond financing through FPA. Director Brown motioned that the District send a letter to FPA indicating that it will pay in cash call for funds made by FPA for the QLPP throughout its development. Director Miller seconded the motion and the Board voted unanimously in favor of sending the letter.

9. District Water Rights

Counsel Sawyers and Manager Morrissey discussed the Mill Creek water right status with the Board. The Board requested that Counsel Sawyers and Manager Morrissey discuss the status with NRP Counsel Strickland later in the day and inform him that the Board was not ready to negotiate any further at this time.

The Board took no action.

10. Friant Water Authority

Manager Morrissey discussed various items associated with the FWA including planned aquatic weed treatment (chemical) on the FKC and issues associated with the dispute resolution underway between the Friant Water Authority and the Bureau of Reclamation in relation to Settlement interpretation.

The Board took no action.

11. Irrigated Lands Regulatory Program – Draft General Order for the Tulare Lake Basin

Manager Morrissey discussed the status of the Regional Water Quality Control Board's ILRP. It was noted that the SJVWQC was working on putting a work plan together in order to get concurrence from the RWQCB as to the initial and planned scope of a program to be contemplated for implementation in the Southeastern SJV as envisioned by the SSJVWQC.

The Board took no action.

12. SWRCB Water Right Fees

After consideration of the increase legal costs for parties to further pursue a remedy to the charges levied by the SWRCB, Director Miller motioned to continue to support the process, provided its total future share of additional legal costs does not exceed \$2,000. Director Collin III seconded the motion and the Board voted unanimously in favor of that action.

13. Liability Insurance

Controller Ramirez presented quotes for liability coverage to the Directors. By motion of Director Miller and Second by Director Katayama the Board voted unanimously in favor of selecting Water Plus for its 2013 FY liability insurance coverage at limits equal FY 2012.

14. District Water Order Administration

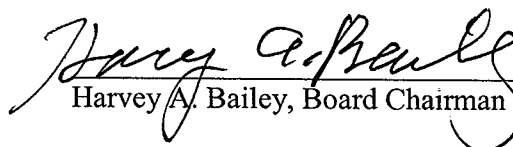
Manager Morrissey discussed alternative ways for administering water orders and the general procedures followed for making water available to landowners in the District. After discussion, the Board decided to take no action.

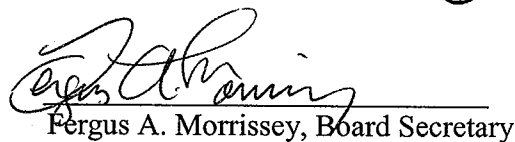
15. Non-Project Water Conveyance Agreement

The Board discussed a draft Agreement for execution between the City of Orange Cove and the District that would permit the City to discharge groundwater from underlying District landowners into the District's delivery infrastructure modified so that a water supply could be delivered to the City during this year's dewatering period. Director Miller motioned to accept the draft agreement and for execution of a finalized Agreement provided it is in substantially the same form as the draft presented. Director Katayama seconded the motion and the Board voted unanimously in favor of executing said Agreement.

16. Adjourn

With no further business, the Board adjourned at 3:55 P.M. with the annual Board of Equalization meeting scheduled for 12:00 Noon on Wednesday October 10, 2012 at the District's Office with the Regular monthly Board of Directors meeting to follow immediately thereafter at 1130 Park Boulevard, Orange Cove, California.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday October 10, 2012. The Meeting was called to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
David Brown
Russell Katayama

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller
John C. Sanders, Operations Manager

Others: None

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

Chairman of the Board Bailey called the regular Board of Directors meeting for October 2012 to order at 11:50 A.M. with a quorum of Directors in attendance.

2. Additions to and approval of the Agenda.

No additions or changes were suggested for the Agenda. Director Brown approved the agenda and Director Katayama seconded the motion. The ***Board voted unanimously in favor of approving the agenda as mailed.***

3. Public Comments.

None

4. Recess – Board of Equalization Meeting

The Board went into recess at Noon for the Board of Equalization Meeting. Controller Ramirez noted that the acreage had not changed since last year and that there were miscellaneous ownership changes throughout the District. No members of the public were present at the meeting and no written comments were received by the District or its Directors.

Director Brown motioned to accept the Board of Equalization Report as prepared by the District. Director Katayama seconded the motion and the Board voted unanimously in favor of its acceptance.

5. Return from Recess

The Board returned to its regular Board Meeting at 12:04 P.M.

6. Minutes of September Board Meeting

The Board considered for approval draft minutes from the Regular Board Meeting held in September 2012. Director Brown motioned to accept the minutes and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft September 2012 minutes.***

7. Approval of Bills

Controller Ramirez discussed warrants (less discounts) totaling \$506,732.89 to be approved for the period September 7, 2012 to October 10, 2012.

Controller Ramirez noted several atypical expenditures. Director Brown inquired as to the charges for security cameras. Supervisor Sanders noted the purpose for those installations and it was further discussed that security fencing would be installed in addition to the cameras at a system delivery point that is frequently vandalized.

Following general discussion of the bills presented, Director Brown motioned to pay them as presented. Upon a second of Director Katayama, the Board voted unanimously in favor of paying the warrants as presented by Controller Ramirez.

8. Monthly Report.

Controller Ramirez covered Items A through J of the monthly report, noting delinquent standby charges and delinquent water users. Controller Ramirez summarized the other receivables category noting miscellaneous charges received for repair of District infrastructure.

Water use to date was recapped, showing usage through August of 22,420 acre-feet. Manager Morrissey discussed carryover for next year, noting that there would be the potential for carryover of approximately 7,500 acre-feet based on historical usage and lack frost water this year (dewatering this winter).

Controller Ramirez noted revenue from the KRSR, Fishwater Hydropower plant, the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund.

Controller Ramirez provided a snapshot of budget to actuals for FY 2012. While the numbers represent a preliminary estimate of income and costs, at this point in time it appears that the District's operations budget will be underfunded. The deficit results primarily from two factors, the receipt of banked water in a very low water year and the low amount of in-District use of water made available. As a result of the latter and because the operations budget consists of operations staff labor, which is already lean and efficient, as well as fixed costs associated with delivery of water (electricity and Friant-Kern Canal conveyance costs), the Board may increase water rates next year.

The Board directed Manager Morrissey to send a notification out to all growers that a ten percent rate increase may be required next year.

Operations Supervisor Sanders covered his report noting work performed by staff during the previous month. Notably, the staff continues to struggle with maintaining deliveries due to system obstruction by the Milfoil being drawn into the system..

No formal action was taken by the Board.

9. Water Supply

Manager Morrissey discussed water supply both locally and throughout the state. As the water year began on October 1, there is little indication thus far as to the upcoming Contract Year supply situation.

10. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues.

A revised Friant Power Authority Project Participation Agreement has been prepared by the FPA, centered on the notion that all members will be cash participants. ***The Board discussed execution of this Agreement and was unanimous in their expression that Director Brown be authorized to sign the Agreement on the District's behalf.*** This Agreement stipulates that all participating members (all eight members) will discretely pay their share of the funds for development of the new River Outlet power plant (the Quinten Luallen Power Plant – QLPP) on a pay as you go basis, and that there will be no umbrella financing by the FPA.

11. Traveling Water Screens

The Board discussed the District's potential purchase of traveling water screens on the various system turnouts throughout connected to the Friant-Kern Canal. The Board's consensus was that ultimately, each delivery have a traveling water screen to improve water quality for District growers. Given the present budget limitations the Board authorized staff to pursue the purchase and installation of four units from the selected bidder prior to the initiation. Additional units shall be acquired as District finances permit. The Board unanimously authorized staff to purchase four screens from the lowest bidder for installation this winter in accordance with the priority system identified by staff (usage and water quality history). Because the FKC is being dewatered this year, it is anticipated that should buy the District at least two years of time during which additional water screens will be installed such that every turnout's delivery is of comparable quality.

12. Capital Budget

Manager Morrissey discussed the District's five-year capital budget with the Board. A major change from this capital budget prepared late last year was noted – cash flow for the FPA RO#2 power plant has been delayed. Along with other minor adjustments to this budget, the Board considered expending \$500,000 this year for traveling screens and deferring (as necessitated by the project schedule) payments associated with the RO#2 project to 2013 and 2014 fiscal years.

The Board approved for the District to purchase a total of not more than four traveling screens this year, at an approximate total cost of \$200,000 (including appurtenances and District labor).

13. Closed Session - District Water Rights

- a. At 1:20 P.M., Counsel Sawyers and Manager Morrissey discussed the Mill Creek water right status with the Board.

- b. Personnel Issues – The Board deferred discussion of personnel issues until November when all Board members are expected to be present.

14. Return to Open Session

The Board returned to Open Session at 2:20 P.M. and disclosed that it took no reportable action.

15. Friant Water Authority

Manager Morrissey discussed various items associated with the FWA including planned aquatic weed treatment (chemical) on the FKC and issues associated with the dispute resolution underway between the Friant Water Authority and the Bureau of Reclamation in relation to Settlement interpretation.

The Board took no action.

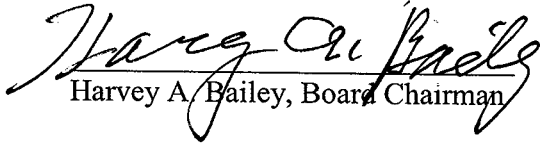
16. Irrigated Lands Regulatory Program – Draft General Order for the Tulare Lake Basin

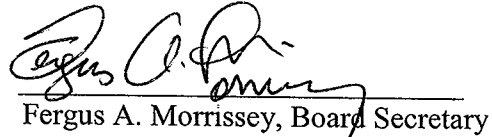
Manager Morrissey discussed the status of the Regional Water Quality Control Board’s ILRP.

The Board took no action.

17. Adjourn

With no further business, the Board adjourned at 4:15 P.M. with the regular monthly Board of Directors meeting to be held on November 14th 2012 at 11:45 at 1130 Park Boulevard, Orange Cove, California.


 Harvey A. Bailey, Board Chairman


 Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday November 14, 2012. The Meeting was called to order at 11:58 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III
David Brown
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller
John C. Sanders, Operations Manager

Others: Michael Patrick George (via teleconference), Special Counsel

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

Chairman of the Board Bailey called the regular Board of Directors meeting for November 2012 to order at 11:58 A.M. with a quorum of Directors in attendance.

2. Additions to and approval of the Agenda.

No additions or changes were suggested for the Agenda. Vice Chairman Collin III approved the agenda and Director Brown seconded the motion. **The Board voted unanimously in favor of approving the agenda as mailed.**

3. Public Comments.

None

4. Minutes of October Board Meeting

The Board considered for approval draft minutes from the Regular Board Meeting held in October 2012. Director Brown motioned to accept the minutes and Chairman Bailey seconded the motion. **The Board voted unanimously in favor of accepting the draft October 2012 minutes.**

5. Approval of Bills

Controller Ramirez discussed warrants (less discounts) totaling \$498,337.09 to be approved for the period October 11, 2012 to November 14, 2012.

Following general discussion of the bills presented, Director Miller motioned to pay them as presented. Upon a second of Vice Chairman Collin III, the Board voted unanimously in favor of paying the warrants as presented by Controller Ramirez.

6. Monthly Report.

Controller Ramirez covered Items A through J of the monthly report, noting delinquent standby charges and delinquent water users. Controller Ramirez summarized the other receivables category noting refund by the Bureau of overpayment of 9d capital repayment amount of \$43,152.06 and other payments associated with damage to the District's infrastructure arising from accidents involving the public.

Water use to date was recapped, showing usage through October of 25,815 acre-feet. It was noted that October 2012 usage of 3,395 which is 60% greater than the 5 year running average of 2,122 acre feet. Manager Morrissey discussed carryover for next year, noting that there remains approximately 5,250 acre-feet based on projected November usage and a transfer of 750 acre feet of carryover to Arvin Edison Water Storage District next year.

Controller Ramirez noted revenue from the KRSH, Fishwater Hydropower plant, the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund.

Controller Ramirez provided a revised snapshot of budget to actuals through October 31 for FY 2012. It is projected that by year-end the District will be in a deficit situation due to several factors, primary among them being reduced Friant Power Authority revenue and increased conveyance costs charged by the Friant Water Authority to all Friant Division contractors proportional to their particular water contract with the United States relative to the entire Friant Division. It is estimated at this time that the aforementioned reduction in revenue and the increase

in conveyance costs will negatively impact the budget by \$300,000 this year. It is anticipated that these circumstances will similarly impact future District budgets.

Supervisor Sanders discussed the O&M monthly report and work by the District's field staff during October.

No formal action was taken by the Board.

7. Water Supply

Manager Morrissey discussed water supply both locally and throughout the state. As the water year began on October 1, there is little indication thus far as to the upcoming Contract Year supply situation.

Manager Morrissey recapped and provided projections for the remainder of the 2012/2013 Contract Year, the recapture and recirculation of District water provided for the San Joaquin River Restoration Program. In summary, the District has thus far been able and expects to continue to be able to put the entire recaptured quantity (estimated to be 5,223 acre feet) to beneficial use during the 2012/2013 Contract Year.

8. Electrical Power

Manager Morrissey discussed with the Board various hydropower plant and FPA issues.

Reduction in revenue for the FPA projects and Fishwater project were discussed.

Progress relative to the development of the Quinten Luallen Power Plant was discussed. It was noted by Manager Morrissey that at this time the FPA's consulting engineer (URS Corp and HDR) are evaluating bids from five vendors for the turbine-generator component of this power plant. Action by the FPA Board regarding this selection is not anticipated until the December 2012 FPA Board meeting.

No action was taken by the Board.

9. 2013 Draft Budget

Controller Ramirez provided the Board members with a draft budget for calendar year 2013. The administrative revenue budget presented funds for all general, administrative and debt service costs and complies with the debt service covenants. Accordingly, the District will collect fees and charges sufficient to yield estimated revenues which will be at least 100% of the 2013 debt service payments and all general and administrative costs while maintain at least 10% of the annual debt service in a rate covenant fund. Vice Chairman Collin III motioned to accept the draft 2013 budget as presented. Director Brown seconded the motion and the Board voted unanimously in favor of approving the proposed 2013 budget.

The budget reflects a projected revenue shortage of \$275,000 based on current projections of in-District water sales of 27,500 acre feet, Fishwater hydropower plant revenue reductions of \$100,000 and increased Friant Water Authority conveyance costs of \$175,000.

The Board will hold a public hearing for a vote on increasing the water rate by up to \$10 per acre-foot in January and *instructed Manager Morrissey to conduct the actions necessary for that upcoming consideration including sending out the appropriate notice to all landowners for a 218 election on the potential water rate increase.*

10. Closed Session –

The Board went into Closed Session at 1:00 P.M. to discuss the District's northern California water right with Special Legal Counsel Michael Patrick George and to discuss the performance of Manager Morrissey.

11. Return to Open Session

The Board returned to open session at 1:40 P.M. with no reportable action on the northern California water right.

The Board made the decision to increase Manager Morrissey's salary by 5% and to increase the vehicle allowance by \$250 per month, effective November 1, 2012.

12. Friant Water Authority

Manager Morrissey discussed various items associated with the FWA including planned aquatic weed treatment (chemical) on the FKC and issues associated with the dispute resolution underway between the Friant Water Authority and the Bureau of Reclamation in relation to Settlement interpretation.

The Board took no action.

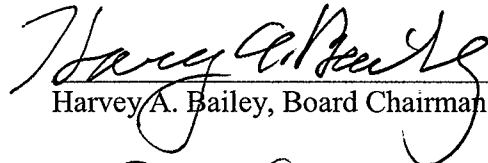
13. Irrigated Lands Regulatory Program – Draft General Order for the Tulare Lake Basin

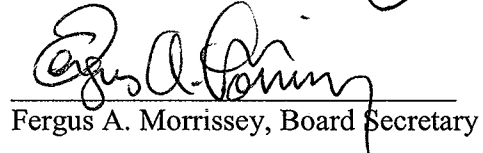
Manager Morrissey discussed the status of the Regional Water Quality Control Board's ILRP.

The Board took no action.

14. Adjourn

With no further business, the Board adjourned at 4:15 P.M. with the regular monthly Board of Directors meeting to be held on December 12th 2012 at 11:30 at 1130 Park Boulevard, Orange Cove, California.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday December 12, 2012. The Meeting was called to order at 11:48 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin III
David Brown
Russell Katayama
Arlen Miller

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
John C. Sanders, Operations Manager

Others: Gary Sawyers, Michael Patrick George (via teleconference), Legal Counsel

NOTE: *Meeting Action Items are noted in bold italicized font.*

1. Call to order.

Chairman of the Board Bailey called the regular Board of Directors meeting for December 2012 to order at 11:48 A.M. with a quorum of Directors in attendance.

2. Additions to and approval of the Agenda.

No additions or changes were suggested for the Agenda. Director Brown approved the agenda and Director Miller seconded the motion. The ***Board voted unanimously in favor of approving the agenda as mailed.***

3. Public Comments.

None

4. Minutes of November Board Meeting

The Board considered for approval draft minutes from the Regular Board Meeting held in November 2012. Director Miller motioned to accept the minutes and Vice Chairman Collin III seconded the motion. The ***Board voted unanimously in favor of accepting the draft November 2012 minutes.***

5. Approval of Bills

Manager Morrissey discussed warrants totaling \$386,080.41, less discounts of \$12.06 to be approved for the period November 15, 2012 to December 12, 2012.

Following general discussion of the bills presented, Director Katayama motioned to pay them as presented. Upon a second of Director Miller, the Board voted unanimously in favor of paying the warrants as presented by Manager Morrissey.

6. Monthly Report.

Manager Morrissey covered Items A through K of the monthly report, noting delinquent standby charges and delinquent water users. Manager Morrissey summarized the other receivables category noting refund by the Bureau of overpayment of 9d capital repayment amount of \$43,152.06.

Water use to date was recapped, showing usage through November of 26,105 acre-feet. Manager Morrissey discussed carryover for next year, noting that there remains approximately 7,406 acre-feet based final usage.

The final discrepancy between Friant's canal-side meters and the District's individual delivery meter totals for the year ended up at 264 acre feet, with the canal-side meters indicating more than the District's meters. While Supervisor Sanders will review water use records vs. orders and historical use and see if there is any justification to modify District meter readings, the observed difference represents 1.0% of total deliveries which is well within the meter accuracy limitations.

A list of landowners ordering water and not using any of their order was reviewed; those orders totaled 1,336 acre feet. Director Miller suggested sending out a general letter to all the growers recapping the Contract Year in light of the fact that the forecast started out so low (looking at 25% Class 1 allocation) and yet the District ended up with surplus water at the end of the year. Manager Morrissey noted that he will provide that type of information in a letter to landowners to accompany 2013/2014 Contract Year water applications.

Manager Morrissey noted revenue from the KRSH, Fishwater Hydropower plant, the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund.

Supervisor Sanders discussed the O&M monthly report and work by the District's field staff during November.

No formal action was taken by the Board.

7. Rate Covenant Fund

Manager Morrissey discussed with the Board the potential designation of \$400,000 presently in LAIF to the Rate Covenant Fund. After discussion, Director Katayama motioned and Director Miller seconded the motion to transfer \$400,000 from LAIF into two FDIC insured 6 month certificates of deposit. The Board voted unanimously in favor of this motion and second.

8. Electric Power

Manager Morrissey briefly discussed the status of the Fishwater, KRSH, and QLPP with the Board, noting that there were no. No action was taken.

Manager Morrissey recapped and provided projections for the remainder of the 2012/2013 Contract Year, the recapture and recirculation of District water provided for the San Joaquin River Restoration Program. In summary, the District has thus far been able and expects to continue to be able to put the entire recaptured quantity (estimated to be 5,223 acre feet) to beneficial use during the 2012/2013 Contract Year.

9. PPA HEART and WRERA Amendment

Manager Morrissey discussed the need for the Board to consider a Resolution for the Security Benefit 457 Deferred Compensation Plans as a result of Congressional and IRS legislation pertaining to; the Pension Protection Act, the Heroes Earnings Assistance and Relief Tax Act and the Worker, Retiree and Employer Recovery Act. Manager Morrissey expressed that the amendments chosen by him would not obligate the District to pay for any incremental costs over and above those currently associated with the Plans. As a public agency, action to incur additional costs is not considered to be within the discretion of the Board.

Director Brown motioned to adopt said resolution. Director Miller seconded the motion and the Board voted unanimously in favor of adopting this resolution.

10. Closed Session

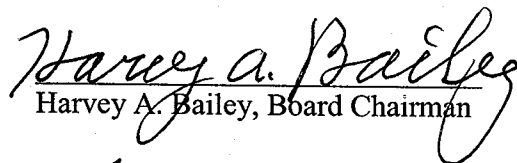
The Board went into Closed Session to discuss real property negotiations with Legal Counsel Sawyers and George at 2:00 P.M.

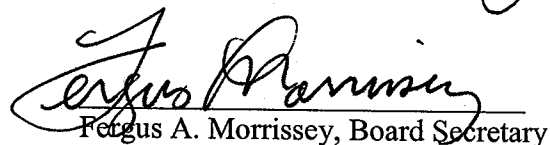
11. Return to Open Session

The Board returned to open session at 2:53 P.M. with no reportable action.

12. Adjourn

With no further business, the Board adjourned at 3:02 P.M. with the regular monthly Board of Directors meeting to be held on January 9, 2013 at 11:30 at 1130 Park Boulevard, Orange Cove, California.


Harvey A. Bailey, Board Chairman


Fergus A. Morrissey, Board Secretary