Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday January 9, 2013. 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 Robert T. Ramirez, Controller / Treasurer John C. Sanders, Operations Manager
Others:	Gary Sawyers, Michael Patrick George (via teleconference), Legal Counsel Mr. Ron Lopopolo, District Grower Mr. Pete Carlson, District Grower Mr. Robert Butler, District Grower

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 January 2013 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.**

   Public Comment was received regarding the District's 2013 Contract Year Water Rates during the public hearing. Discussion of those comments are included herein under Agenda Item 5.

4. **Minutes of December Board Meeting**

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

5. **Draft OCID Water Rates**

   A public hearing was held at the District Office at 1:00 P.M. on this ninth day of January 2013 to discuss written protests received over the past seven weeks. On November 21, 2012 the District delivered to all landowners in the District notification of the hearing, the potential for a $10 per acre foot water rate increase across the board and the rationale for this rate increase.

   Over the past seven weeks the District received written protests to an across the board water rate increase of not more than $10.00 per acre foot from a total of 32 District landowners.

bond obligations.

The hearing was closed at 2:00 P.M. with no further input received than that already mentioned.

6. **Approval of Bills**

Controller Ramirez discussed warrants totaling $744,839.42, less discounts of $26.57 to be approved for the period December 13, 2012 to January 9, 2013.

Following general discussion of the bills presented, Director Miller 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.

7. **Monthly Report.**

Controller Ramirez covered Items A through I of the monthly report, noting delinquent standby charges and noting that there are no delinquent water users. Controller Ramirez noted receipt of $12,261.97 from CHI Western Operations for SWRCB water right fees associated with the KRSH diversion for power generation.

It was noted that no December water deliveries were made as the FKC is out of service for dewatering activities. Carryover for the 2013 Contract year was noted to be 7,406 acre feet.

It was noted that FWR power plant revenues were 5% greater than last years December revenue due to higher Millerton Lake water surface levels.

Controller Ramirez noted 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 December.

Manager Morrissey noted the letter sent to the Fresno County Board of Supervisors regarding the intra-landowner controversy associated with land use issue for Ms. Valerie Pickens property. The Board reiterated its position of non-engagement in land use issues that do not impact the District's facilities or interests directly.

No formal action was taken by the Board.

8. **Electric Power**

Manager Morrissey briefly discussed the status of the Fishwater, KRSH, and QLPP with the Board. The Board briefly discussed the EIR scoping letter prepared by Manager Morrissey and included in the Board packet. No action was taken.

9. **Draft Rules and Regulations for Contract Year 2013**

Manager Morrissey discussed the draft 2013 Rules and Regulations being prepared and to be included in the water application packets being sent out to all District growers the third week of January. The primary modification discussed was the attempt to incorporate a numerical example into the document to illustrate the somewhat complicated priority to water that is based on quantity ordered and time ordered and how the District makes water available to growers based on those particulars.

Additionally, the Board agreed to inform landowners who diverting water without placing water orders may be subjected to a $20 per acre foot surcharge, depending on the circumstances of the particular situation.

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 2:58 P.M. and reported that it authorized Counsel, Esquires Sawyers and George to proceed with briefing litigator Tim O'Laughlin (of O'Laughlin and Paris) to prepare the necessary documentation for and to take legal action as necessary against the Los Molinos Mutual Water Company for breach of their obligations as water master under the 1920 Tehama County Superior Court decree on Mill Creek.

12. OCID Reorganization

Manager Morrissey briefed the Directors on the status of the District reorganization and the concern that the Bureau had regarding land use changes in the Hayhurst, Fitzgerald and Damm parcels which would require Fish and Wildlife Service analysis prior to any land use change or approval of water delivery.

The Board requested that Manager Morrissey discuss with each landowner and prepare a letter so that the various issues could be discussed.

13. Friant Water Authority

The Board expressed to Manager Morrissey concerns they had regarding the budget and performance of work associated with the desilting of the FKC over the December 2012 time period. The Board requested that Manager Morrissey immediately discuss with General Manager Jacobsma their concerns regarding quality and execution of activities conducted by the Authority in its attempt to control the Western Water Milfoil infestation in the FKC.

14. Adjourn

With no further business, the Board adjourned at 4:53 P.M. with the regular monthly Board of Directors meeting to be held on February 13, 2013 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 February 13, 2013. 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
Robert T. Ramirez, Controller / Treasurer
John C. Sanders, Operations Manager

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 February 2013 to order at 11:48 A.M. with a quorum of Directors in attendance.

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

Manager Morrissey indicted that there would be no Closed Session required. Considering that change, 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.**

No members of the public attended the meeting.

4. **Minutes of January Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in January 2013. Director Brown motioned to accept the minutes and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft January 2013 minutes.***

5. **Approval of Bills**

Controller Ramirez discussed warrants totaling $313,103.07, less discounts of $75.21 to be approved for the period January 10, 2013 to February 13, 2013.

Controller Ramirez noted several atypical bills for the period including an interest only payment for the 9d Repayment Contract (Refunding Bond) in the amount of $56,925.00 and legal service to O'Laughlin & Paris in the amount of $2,550.00. 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 bills as presented by Controller Ramirez.

6. **Monthly Report.**

Controller Ramirez covered Items A through H of the monthly report, noting delinquent standby charges and noting that there are no delinquent water users. Controller Ramirez noted receipt of $140,625.00 from Del Puerto Water District for the transfer of 2012 Contract Year recaptured water, $10,886.22 from the Friant Water Authority for Supervisor Sander's regular and overtime labor charges during the dewatering activities.

It was noted that no January water deliveries were made as the FKC is out of service for dewatering activities. Carryover for the 2013 Contract year was noted to be 7,406 acre feet.

It was noted that FWR power plant revenues for the 2012 Calendar Year were approximately $100,000 below or 65% of last years total. It is anticipated that the 2013 Calendar Year will track the 2012 revenue.

Controller Ramirez noted 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 spreadsheet of water orders as of February 7, 2013 and as a comparison to the order, a column reflecting 2012 acre feet used.

Supervisor Sanders discussed the O&M monthly report and work by the District's field staff during January. It was noted to the Board that Albert Rodriguez has been hired as a full time employee of the District.

No formal action was taken by the Board.

7. Electric Power

Manager Morrissey briefly discussed the status of the Fishwater, KRSH, and the QLPP with the Board. It was noted that the FPA Board selected *Weir American Hydro* as the vendor providing the QLPP turbine/generator. No action was taken.

8. Closed Session

No Closed Session was held.

9. Return to Open Session

Moot.

10. System 1 A/B Time of Use Reservoir.

Manager Morrissey discussed the draft easement agreement with landowner Steve C. Bradley for use of his property for the subject reservoir. The Board requested that the title to the property be transferred to the District in lieu of procuring an easement. ***Manager Morrissey will develop this idea further with landowner Bradley and work toward that direction.***

11. Grower Use of District Infrastructure

Manager Morrissey discussed with the Board the desire and breadth of a policy that would allow landowners to discharge groundwater into the District's delivery system. It was the Boards desire that such a policy be developed for periods of system outage with specific consideration on a case by case basis. The Board was also open to considering future requests based on other extenuating circumstances, on a case by case basis but was not in favor of developing a policy on that at this time. ***Manager Morrissey will provide at the next Board meeting a draft Well Introduction Policy.***

12. Irrigated Lands Regulatory Program

Manager Morrissey briefed the Board on this emerging regulatory process and noted that, based on projected progress in the development of the program, individuals would have until approximately mid-December of 2013 to join a "coalition" or face direct involvement with the Regional Water Quality Control Board.

13. Adjourn

With no further business, the Board adjourned at 3:23 P.M. with the regular monthly Board of Directors meeting to be held on March 13, 2013 at 11:30 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 Wednesday March 13, 2013. The Meeting was called to order at 12:25 P.M., with the following Directors and Officers present:

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

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

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 March 2013 to order at 12:25 P.M. with a quorum of Directors in attendance.

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

Manager Morrissey indicted that an additional item (17) would be added to the Agenda, Board approval of the abandonment from District property, Board of Directors chairs acquired in 1966. Manager Morrissey also indicated that there would be no Closed Session. Considering that change, Director Brown approved the agenda and Director Collin, III seconded the motion. The ***Board voted unanimously in favor of approving the agenda as modified.***

3. **Public Comments.**

No members of the public attended the meeting.

4. **Minutes of February Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in February 2013. Director Collin, III motioned to accept the minutes and Director Brown seconded the motion. The ***Board voted unanimously in favor of accepting the draft February 2013 minutes.***

5. **Approval of Bills**

Controller Ramirez discussed warrants totaling $429,730.44, including discounts of $19.50 to be approved for the period February 14, 2013 to March 13, 2013.

Controller Ramirez noted several atypical expenditures for the period including an $27,590.63 to the FPA for QLPP and $1,500 to Kaweah Delta WCD for purchase of their boardroom table and chairs. Also noted was payment of $3,300 to O'Laughlin & Paris for legal services and $5,000 to Reclamation for their continuing work associated with the District Reorganization.

After discussion on various items, Director Miller motioned and Vice Chairman Collin, III seconded a motion to pay the bills as presented. ***The Board voted unanimously in favor of paying the bills as presented by Controller Ramirez.***

6. **Monthly Report.**

Controller Ramirez covered Items A through H of the monthly report, noting delinquent standby charges and noting that there are no delinquent water users. Controller Ramirez noted receipt of $20,257.25 thus far for 2013. Total delinquent standby charges amount to $29,542.28 compared to the same period last year of $30,596.10. It was noted that there are no delinquent water user accounts at this time.

It was noted that February water deliveries of nine acre were made from the FKC.

Fishwater power plant revenue was noted to be slightly (85) above last year's comparable time period, due to a slightly improved contract with PG&E for the purchase of power. KRSH generated $0 for the month of January as the FKC was out of service.

Controller Ramirez noted the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund. LAIF interest rates continue to drop and for January the effective annual rate was 0.300%.

Controller Ramirez provided a spreadsheet of water orders as of March 12, 2013 and as a comparison to the order, a column reflecting 2012 acre feet used.

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

No formal action was taken by the Board.

7. Water Supply

Manager Morrissey briefly discussed the status the SJR Restoration Program and potential recapture of 2013 District supply surrendered for the Program. It was also noted that Reclamation was holding to their 65% Class 1 declaration, but if continued dry weather persists, that will be challenging. The 50% exceedance forecast declaration at the time of the meeting was 100% Class 1. It was noted by Manager Morrissey that at the present declaration and considering District carryover, the District will have sufficient supply to satisfy recent historical deliveries. No action was taken.

8. Electrical Power

Manager Morrissey discussed the status of the QLPP development, noting that there were no items that needed to be brought before them.

9. Real Property Negotiations

The Board discussed the Mill Creek water right and its disposition for the upcoming year without an attorney present so no "Closed Session" was held. It was the consensus of the Board members present (Director Katayama was not present) that the District's desire to put the water right's flow toward an environmental / fishery benefit required termination of the License between the Los Molinos Mutual Water Company and the District effective on April 1, 2005. That license provided for the Mutual's free use of the District's right during the year. The Board agreed that if the Mutual desired, the District would lease of a portion of the District's water right during a specific time period for the Mutual's use, provided use during that time period did not conflict with the primary purpose for which the right was originally acquired by the District, fishery benefits.

Manager Morrissey was directed to prepare a termination letter, noting that the District would consider leasing a specific portion during a specific time period to the Mutual at a rate of $100/acre foot.

10. Return to Open Session

Moot.

11. FY 2013 Capital Budget

Manager Morrissey discussed the draft Capital Budget with the Board of Directors. Outside of the District's participation in the new River Outlet hydro power plant (for which monies have already been set aside) 80% of the Capital expenditures projected for the next five years consist of traveling trash screens for District turnouts and a time of use regulating reservoir on System 1 A/E.

After discussion and consideration by the Board, Director Brown motioned to approve the draft capital budget. This motion was seconded by Vice Chairman Collin, III and voted for unanimously in favor by the Board.

12. District Reorganization

Manager Morrissey discussed the status of Reclamation's progress. Because the landowners coming into the District will not be permitted to connect to the District's infrastructure and therefore will not be able to receive water until additional environmental review has been completed, the Board determined that it was fair that those landowners not pay for that portion of the Standby Charge associated with capital repayment of the infrastructure bond. As such, the landowners will be assessed for the General and Administrative portion of the charge, which is presently $22.50 until the additional environmental review for their property is complete and they have the ability to receive delivery of District water.

13. Time of Use Reservoir

Manager Morrissey discussed this ongoing consideration with landowner Bradley. Morrissey conveyed that his conversation with Bradley revealed that Mr. Bradley would not consider sale of a portion of his property in lieu of a perpetual easement. The Board discussed this and determined that they would not proceed under an easement arrangement due to concerns with autonomy of operation / constraints that may be associated with an easement. The primary concern the Board has in this regard, are emerging food safety issues.

Manager Morrissey was directed to discuss the Board's position that either a sale of a portion of Bradley's parcel or, repayment of the delinquent Standby Charges were the viable options.

14. Grower Use of District Infrastructure

Manager Morrissey discussed with the Board the draft policy that would allow landowners to discharge groundwater into the District's delivery system. The Board requested various changes in the draft policy.

Manager Morrissey will revise the draft according to the Board's input and bring it back for their consideration at the April Board Meeting.

15. Friant Water Authority

Various issues concerning the activities of the Friant Water Authority were discussed.

No action was taken by the Board.

16. Irrigated Lands Regulatory Program

Manager Morrissey briefed the Board on the status of this emerging regulatory process.

No action was taken by the Board.

17. Abandonment of District Property

Because the District has acquired "new" table and chairs for the Board room and there is no use for the old chairs, the Board considered abandoning that District property. By motion of Director Miller and Second of Director Brown, the Board voted unanimously in favor of abandoning the Board chairs acquired by the District in 1966. It was felt that after 47 years of faithful service, it was appropriate the chairs be removed from the property list.

18. Adjourn

With no further business, the Board adjourned at 4:05 P.M. with the regular monthly Board of Directors meeting to be held on April 10, 2013 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 April 10, 2013. The Meeting was called to order at 12:04 P.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
John C. Sanders, Operations Manager

Others: Paul Adams, Booth Ranches

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

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for April 2013 to order at 12:04 P.M. with a quorum of Directors in attendance.

2. Additions to and approval of the Agenda.

Manager Morrissey suggested moving Agenda Item 12 forward in the meeting to follow approval of the minutes in order accommodate Mr. Adams as this was his point of interest in attending. Director Brown moved to approve agenda as modified. Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda with that minor sequence change.

3. Public Comments.

No general comments were offered.

4. Minutes of March Board Meeting

The Board considered for approval draft minutes from the Regular Board Meeting held in March 2013. Director Collin, III motioned to accept the minutes and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft March 2013 minutes.***

12. Grower Use of District Infrastructure

Manager Morrissey discussed with the Board the revised draft policy that would allow landowners to discharge groundwater into the District's delivery system during periods of FKC outage. The Board requested including water quality standards associated with bacteriological constituents (coliform/E. Coli) as well as clarification on indemnification / legal risks under various program alternatives (such as those that may result from discharge of nitrogen exceeding normal FKC levels especially when the receiver of water is not the "discharger" as defined in the draft Policy / and the position that this puts the District as it may then be considered a discharger of pollutants).

Manager Morrissey will revise the draft after discussion of the liability issues with legal council for consideration in subsequent meeting(s).

5. Approval of Bills

Manager Morrissey discussed warrants totaling $460,350.91, including discounts of $39.10 to be approved for the period March 14, 2013 to April 10, 2013.

Manager Morrissey noted several atypical expenditures for the period including an $11,703.46 to the C.J. Hammer Pump Company for repair of a 100 horsepower pump and $5,012.98 for a new VFD for System 3.

Supervisor Sanders discussed meter repair costs and Director Miller suggested that the District should begin an accelerated replacement of existing mechanical meters with the newer digital meters that require much less maintenance due to the lack of wear parts (gears) relative to the mechanical meter types. Director Miller suggested that the Capital Budget for future years be modified to include for purchase of 100 meters per year ($40,000 roughly) and for this year **to acquire 20 digital meters** in lieu of marginal repair costs.

The Board expressed it was generally in favor of this process and future expenditure, although at this time, capital budgets are not being changed and the direction does not require Board action.

Director Miller asked if there was a cheaper **communication alternative for the CIMIS station** outside of the conventional phone line that the District is paying. Supervisor Sanders indicated that he would explore that potential.

After discussion on various items, Director Katayama motioned and Director Miller seconded a motion to pay the bills as presented. ***The Board voted unanimously in favor of paying the bills as presented by Manager Morrissey.***

6. Monthly Report.

Manager Morrissey covered Items A through G of the monthly report, noting delinquent standby charges and noting that there are one delinquent water user whose delivery is locked. Manager Morrissey noted various receipts from the public totaling $6,976.29 for the period.

It was noted that March water deliveries of 910 acre feet were made from the FKC and this number is far in excess of historical March usage and resulted from the extremely dry spring and later winter periods.

Fishwater power plant revenue was noted to 20% above last year's comparable time period, due to a slightly improved contract with PG&E for the purchase of power. KRSH generated $0 for the month of February as the FKC was out largely out of service and otherwise at free flow of very small release from Millerton.

Manager Morrissey noted the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund. LAIF interest rates continue to drop and for February the effective annual rate was 0.286%.

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

No formal action was taken by the Board.

7. Water Supply

Manager Morrissey briefly discussed the status the SJR Restoration Program and potential recapture of 2013 District supply surrendered for the Program. It was also noted that Reclamation dropped their 90% exceedence forecast to 55% Class 1 declaration, but if continued dry weather persists, that will be challenging. No action was taken.

8. Electrical Power

Manager Morrissey discussed the status of the QLPP development, noting that there were no items that needed to be brought before them.

9. Real Property Negotiations

The Board discussed the Mill Creek water right and its disposition for the upcoming year without an attorney present so no "Closed Session" was held. It was noted by Manager Morrissey that Counsel George was continuing to pursue moving the water to Refuge supply purposes under agreement with the Bureau of Reclamation.

No action was taken by the Board.

10. Return to Open Session

Moot.

11. District Reorganization

Manager Morrissey discussed the status of Reclamation's progress. The District is awaiting the final paperwork from the Bureau regarding the administrative reorganization. All landowners wishing to be included in the District have agreed to the provisions detailed in the conditional annexation letter and that executed letter has been forwarded to the Bureau.

13. Friant Water Authority

Various issues concerning the activities of the Friant Water Authority were discussed.

No action was taken by the Board.

14. Adjourn

With no further business, the Board adjourned at 3:00 P.M. with the regular monthly Board of Directors meeting to be held on Monday May 13, 2013 at 11:30 at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, May 13, 2013. The Meeting was called to order at 11:56 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 Ramirez,
Others:	None

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

1. **Call to order.**

   Chairman Bailey called the regular Board of Directors meeting for May 2013 to order at 11:56 A.M. with a quorum of Directors in attendance.

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

   No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.

3. **Public Comments.**

   No public comment.

4. **Minutes of March Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in April 2013. Director Collin, III motioned to accept the minutes and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft April 2013 minutes***.

5. **Approval of Bills**

   Controller Ramirez discussed warrants totaling $469,103.19, including discounts of $23.46 to be approved for the period April 5, 2013 to May 10, 2013.

   Controller Ramirez noted several atypical expenditures for the period including an $25,000 to FPA for the QLPP project development, $71,857.50 to IWS as a progress payment (50% payment) for the traveling water screens installed at four District turnouts, and $129,081.25 to US Bank Trust for the May Debt Service Payment.

   After discussion on various items, Vice Chairman Collin, III motioned to pay the bills as detailed in the packet and presented by Controller Ramirez. Director Katayama seconded a motion to pay the bills as presented. ***The Board voted unanimously in favor of paying the bills as presented by Controller Ramirez.***

6. **Monthly Report.**

   Controller Ramirez covered Items A through H of the monthly report, noting delinquent standby charges due for the 2013 fiscal year totaling $18,536.79 compared to last years same period of $19,454.10. It was noted that there is one delinquent water user with a balance of $7.36 whose delivery is locked pending payment. Controller Ramirez noted various receipts from the public totaling $29,421.36 for the period, including $29,984 from Fresno County (Teeter Tax), $2,098.24

Controller Ramirez provided to the Directors a letter from Reclamation on *Status of Historical Reconciliations for Water Contractors with Long-Term Central Valley Project Water Service Contracts* which provides a general discussion of variance of financial obligations received verses incurred, from their perspective. Controller Ramirez noted that Reclamation owes the District approximately $13,000; however this number has yet to be reconciled.

Controller Ramirez provided the Board with the District's Financial Transactions and Compensation Report which was prepared for the State Controller's Office by Auditor Mastro.

No formal action was taken by the Board.

7. Water Supply

Manager Morrissey briefly discussed the status the SJR Restoration Program and potential recapture of 2013 District supply surrendered for the Program. It was also noted that Reclamation dropped their 90% exceedence forecast to 50% Class 1 declaration, but if continued dry weather persists, that will be challenging. No action was taken.

8. Electrical Power

Manager Morrissey discussed the status of the QLPP development, noting that there were no items that needed to be brought before them.

9. Real Property Negotiations

The Board discussed the Mill Creek water right and its disposition for the upcoming year in Closed Session.

10. Return to Open Session

Upon return to open session, Manager Morrissey announced that on motion of Director Collin, III and second of Director Katayama, the Board approved the draft April 12th response letter to Los Molinos Mutual Water Company and the Draft Complaint to be filed with Tehama County Superior Court as prepared by William Paris, III Esquire.

11. District Investment Policy

Manager Morrissey provided with the Board the draft 2013 Investment Policy in tracked changes mode verses last year's approved Policy. Director Brown motioned to approve the draft Policy as presented. Director Miller seconded the motion and the Board voted unanimously in favor of adopting the draft policy.

12. Friant Water Authority

Various issues concerning the activities of the Friant Water Authority were discussed.

No action was taken by the Board.

13. ILRP

Manager Morrissey briefed the Board on the status of the ILRP General Order. It was noted that a tentative ruling on the CEQA lawsuit would result in the State's EIR being invalidated requiring it be redone, properly. This outcome, if tentative ruling becomes final, would result in a delay of the GO implementation by the Regional Water Quality Control Board.

14. ACWA Report

Manager Morrissey noted various meetings attended at the ACWA conference, including meetings with the new Regional Director of Reclamation MPR with the FWA and individually. Other meetings including meetings with the Exchange Contractors, MWH, Brownstein, Hyatt, Farber & Shrek, O'Laughlin & Paris, San Luis Water District representatives, Friant Water Authority, SCCAO Reclamation employees and SJRRP program employees.

15. Adjourn

With no further business, the Board adjourned at 3:25 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday June 12, 2013 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, June 12, 2013. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, Chairman (Arrived at 12:30 P.M.) H.A. "Gus" Collin, III, Vice Chairman David Brown Russell Katayama Arlen Miller
Officers:	Fergus A. Morrissey, Engineer-Manager/Secretary Robert Ramirez, Controller, Treasurer
Others:	None

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

1. **Call to order.**

   Vice-Chairman Collin III called the regular Board of Directors meeting for June 2013 to order at 11:40 A.M. with a quorum of Directors in attendance. Chairman Bailey arrived at the meeting at 12:30 P.M., however, Vice-Chairman Collin III continued duties as acting Chairman for the duration of the Board Meeting.

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

   No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.

3. **Public Comments.**

   No public comment.

4. **Minutes of March Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in May 2013. Director Miller motioned to accept the minutes and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft May 2013 minutes***.

5. **Approval of Bills**

   Controller Ramirez discussed warrants totaling $1,174,861.04, including discounts of $44.08 to be approved for the period May 11 to June 12, 2013 period.

   Controller Ramirez noted several atypical expenditures for the period including payment of $11,250 to Central Valley Fencing to secure the four newly installed traveling trash screens, $600,000 payable to Kaweah Delta Water Conservation District as fiscal agent for funds to be released to Lindsay-Strathmore Irrigation District for their transfer of 2,400 acre feet into the District, and $314.57 to Ponderosa Paint Company for compliance paint required for the existing above ground gasoline storage tank at the District's facility.

   After discussion of various items, ***the Board requested a monthly breakdown of expenditures associated with the District's Mill Creek Water right***. Controller Ramirez noted to the Board that expenditures associated with this water right are being expensed rather than capitalized.

interest on the rate covenant fund and the Capital repayment fund. LAIF interest rates continues to drop and for April the effective annual rate was 0.264%.

Controller Ramirez provided analysis of the District's Debt Service Covenant calculation for 2012. The District has a debt service covenant to fix, prescribe, revise and collect rates, fees and charges for water service sufficient to yield estimated net revenues which are at least 110% of the aggregate amount of debt service payments. Based on currently available information, this ratio has been determined to be 1.57 which is greater than the 1.10 ratio requirement. This number compares to 1.76 for fiscal year 2011.

Manager Morrissey discussed the May O&M monthly report and work by the District's field staff. Items of note included the completion of the meter test facility and the completion of security and concrete infrastructure for each of the four traveling trash screens installed during the spring.

Controller Ramirez noted that the 2012 fiscal audit being conducted by Mastro and Cuttone is in the final stages of completion and will most likely be presented at the July Board Meeting.

No formal action was taken by the Board on any of the above described items.

7. Electrical Power

Manager Morrissey discussed the status of the QLPP development, noting the recently projected monthly cash flow required for its development. Monthly costs for the next 12 month period average approximately $50,000 and for the subsequent year the costs move higher averaging closer to $130,000.

8. Water Management

Manager Morrissey briefly discussed the status the SJR Restoration Program and potential recapture of 2013 District supply surrendered for the Program. It was also noted that Reclamation increased their 90% exceedence forecast from 45% to 55% Class 1.

Manager Morrissey discussed potential transfers of 2013 recaptured water as well as recaptured water brought back into the District. Issues associated with transfers to Westlands Water District were discussed in connection with the WWD Area of Origin application that was filed in 2000 and a subsequent "agreement" relating thereto executed between FWA and WWD. It is the Director's opinion that the WWD continues to use this application as leverage on Friant Water Authority and its member districts to coerce direct transfers to WWD. The Board determined and requested that Manager Morrissey not transfer any water to WWD unless and until these issues are resolved.

The Board approved transfer of any of this year's recaptured water supply in San Luis Reservoir to the San Luis Water District under mutually agreeable terms.

9. Friant Water Authority Issues

Manager Morrissey discussed various FWA issues with the Board. FWA provided an early analysis of the various scenarios of BDCP costs that would be payable by the District. Those costs depend on "benefit" determination and range from $10 to approximately $160 per acre foot of water delivered. The Board expressed concern over the rising costs of water and indicated that even an increase at the low end of this scale was significant to the District landowners, many of whom are marginally successful under the current cost of production, including water supply.

10. Resolution to Certify Repayment

Manager Morrissey provided the Board with ***Resolution 2013-01 Certifying Payment of Obligations to the United States.*** This Resolution is being required by the Reclamation as part of the reorganization process that appears to be culminating. Reclamation seeks the assurance of the Board that it understand and intends to continue to satisfy all of the District's financial obligations under its Repayment Contract with the United States, notwithstanding a decrease in

District acreage (approximately 12 acres out of 28,000 are being excluded). By motion of Chairman Bailey and a second of Director Brown, the Board unanimously approved adoption of Resolution 2013-01, and has authorized Manager Morrissey to sign Resolution as Secretary to the Board.

11. Board of Directors Elections

The Board considered Resolution 2013-02 Certifying elections for 2013 and certifying that the District would pay for the necessary election costs incurred by the County of Tulare.

12. Closed Session

a. Real Property Negotiations

The Board discussed the Mill Creek water right and its disposition for the upcoming year in Closed Session.

b. Personnel

The Board discussed staff performance and proposed merit increases and vacation eligibility.

13. Return to Open Session

a. Upon return to Open Session, the Board announced that merit increases amounting to a cumulative total of 4.4% of staff wages be distributed amongst staff, with the exception of Manager Morrissey who is not eligible at this time for a wage adjustment.

b. Additionally, upon return to Open Session the Board announced that in accordance with the District Policy of increasing available vacation after completion of five years of service, the Board determined that Manager Morrissey would accrue an additional week of vacation time effective as of the date of his five-year completion of service, May 2013.

14. Adjourn

With no further business, the Board adjourned at 2:40 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday July 10, 2013 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 Tuesday July 10, 2013. The Meeting was called to order at 12:15 P.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 Ramirez, Controller, Treasurer
John C. Sanders, Operations Supervisor

Others: None

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

1. **Call to order.**

Chairman Bailey called the regular Board of Directors meeting for July 2013 to order at 12:15 P.M. with all Directors in attendance.

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

No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.

3. **Public Comments.**

No public comment.

4. **Minutes of March Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in June 2013. Director Katayama motioned to accept the minutes and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft June 2013 minutes***.

5. **2012 Financial Audit**

Mr. Joe Mastro of Cuttone & Mastro presented his findings of the District's 2012 financial Statements. Mr. Mastro first noted several changes to the standard auditing methods pursuant to adoption by the Governmental Auditing Standards Board. Some of these changes are implemented in this year's audit, while others will be effected in next year's, 2013 audit.

Mr. Mastro informed the Board of Directors that his findings demonstrate that the District's financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2012 and December 31, 2011 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Following Mr. Mastro's report, Director Brown motioned to accept the 2012 Audit Report prepared by Cuttone and Mastro. Director Katayama seconded the motion and the Board voted unanimously in favor of the motion.

6. **Approval of Bills**

Controller Ramirez noted the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund. LAIF interest rates continue to drop and for May the effective annual rate was 0.245%.

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

No formal action was taken by the Board on any of the above described items.

8. Electrical Power

Manager Morrissey discussed the status of the QLPP development, including the potential discussions that may be forthcoming relative to increasing the capacity of the Fishwater Plant.

9. Water Management

Manager Morrissey briefly discussed the status the SJR Restoration Program and potential recapture of 2013 District supply surrendered for the Program. It was also noted that Reclamation is expected to increase the water supply declaration to 60% in the next few days. The possibility of transferring ordered, but unused supply to the west side CVP contractors and the exploration of using the SJR as a conveyance for said transfer. The Board did not express opposition or support of such a notion, rather expressed interest in vetting and exploring the benefits and pitfalls of both using the SJR as a conveyance and transferring any additional water in lieu of preserving it for 2014 supply.

10. Workers Compensation Insurance

Controller Ramirez provided the Board with a summary of proposals for WCI coverage. Director Miller motioned to accept staff recommended coverage by Amtrust North America, with a premium of $18,290 for July 1 2013 – June 30, 2014. Director Brown seconded the motion and the Board voted unanimously in favor of the motion.

11. Resolution to Record Certificates of Sale

Controller Ramirez provided the Board with a list of landowners with delinquencies, for which Certificates of Sale would be recorded with Fresno and Tulare Counties. The following roll call vote was recorded for Resolution 2013-03 Authorizing Certificates of Lien/Sale to Secure Unpaid Accounts:

Vice Chairman Collin, III – Aye

Director Brown - Aye

Director Katayama – Aye

Director Miller – Aye

Chairman Bailey – Aye

12. Friant Water Authority Issues

Manager Morrissey discussed various FWA issues with the Board, including the ongoing discussions with Westlands Water District Directors.

13. Closed Session – Not Held

14. Adjourn

With no further business, the Board adjourned at 3:20 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday August 14, 2013 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 August 14, 2013. The Meeting was called to order at 12:04 P.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 Ramirez, Controller, Treasurer
John C. Sanders, Operations Supervisor

Others: None

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

- **Call to order.**

  Chairman Bailey called the regular Board of Directors meeting for August 2013 to order at 12:04 P.M. with all Directors in attendance.

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

  No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. Director Miller seconded the motion and the Board voted unanimously in favor of approving the Agenda.

- **Public Comments.**

  No public comment.

- **Minutes of July Board Meeting**

  The Board considered for approval draft minutes from the Regular Board Meeting held in August 2013. Director Miller motioned to accept the minutes and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft August 2013 minutes***.

- **Approval of Bills**

  Controller Ramirez discussed warrants totaling $750,874.62, including discounts of $7.61 to be approved for the July 10 to August 10, 2013 period.

  Controller Ramirez noted several atypical expenditures for the period, including payment of $4,314 to Amtrust North America for the initial deposit/first installment of workers compensation insurance, $8,030.29 to Zoom Imaging Solutions for the new Toshiba Fax/Copier/Color Scanner, $21,960 to Michael Patrick George for legal services for the period of December 2012 through June 2013 associated with the District's northern California water right, and $1,560 to Cuttone and Mastro for the final FY 2012 Financial Audit.

  Director Collin III questioned the high cost of shipping for the digital flow meters received from Technoflow. Supervisor Sanders explained that the District paid for shipping of the product from Hemet California and not just from Visalia.

  After general discussion on the bills and other cash outflow, Director Katayama motioned and Director Collin III, seconded the motion to approve the bills and warrants as presented.

- **Monthly Report.**

  Controller Ramirez covered Items A through K of the monthly report, noting delinquent standby charges due for the 2013 fiscal year totaling $35,816.77 compared to last year same period of $37,909.08. It was noted that there is one delinquent water user account, Harry Nicholas in the amount of $155.56 and that this delivery is locked.

  It was noted that the July water deliveries of 5,073 acre feet were made from the FKC and this number is approximately 3% in excess of last year's July usage. Water used to date through July is 15,732 acre feet which is more than 3,000 acre feet more than last year's usage to date for the Contract Year (since March 1).

Fishwater power plant revenue was noted to be 35% above last year's comparable time period income to date as a result of an improved PPA with PG&E compared to the previous years Agreement. KRSH generated $17,374.28 for the month of June.

Controller Ramirez noted the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund. LAIF interest rates increased for the first time in years and for July the effective annual rate was 0.267% up from 0.244%.

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

Manager Morrissey discussed the status of the QLPP development, including the potential discussions that may be forthcoming relative to increasing the capacity of the Fishwater Plant. The Board expressed that they were open to any option put on the table in relation to expansion and future ownership of the Fishwater Power Plant.

No formal action was taken by the Board on any of the above described items.

- **Water Management**

  The Board discussed the status of water supply and use within the District this year given that the current declaration of 62% is not likely to increase. The possibility of utilizing ordered supply of landowners who either do not appear to be using their order or appear to have more water than they will use for the remainder of the year, as a source of supply for landowners that have already or will run out of water this year, was discussed. Because of the tight supply and the unknown future demand for unused orders, especially if the fall months are dry and if the winter months engender significant delivery of frost water, the Board agreed that it was premature to make any assumption with respect to status of a perceived surplus being unnecessarily retained by any landowners.

  Consensus was held that at this time it was far better to let the intra-District water market take effect. A letter will be send to landowners encouraging them to contact the District so that the District may facilitate development of this market and put together willing seller/buyer connections.

- **Friant Water Authority Issues**

  Manager Morrissey discussed various FWA issues with the Board, including the ongoing discussions with Westlands Water District Directors, State Water Resources Control Board water right fees, the Bay Delta Conservation Plan, the Bureau of Reclamations short term 1707 Permit on the SJR and the assertion by Paramount Farming that they have a riparian water right on the River. No action was taken by the Board.

- **ILRP**

  Manager Morrissey discussed the general status of the ILRP with the Board. No action was taken.

- **Adjourn**

  With no further business, the Board adjourned at 2:45 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday September 11, 2013 at 11:30 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 Wednesday September 11, 2013. The Meeting was called to order at 11:59 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 Ramirez, Controller, Treasurer
John C. Sanders, Operations Supervisor

Others: Dale Brogan (DEID
Dan Vink (LTRID/PID)
Tom Mulholland (Landowner)
Robert LoBue (Landowner)
Rick Alfheim (Landowner)
Linda Salwasser (Landowner)
Scott Rogalsky (Landowner)
Paul Adams (Landowner)

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

- **Call to order.**

  Chairman Bailey called the regular Board of Directors meeting for September 2013 to order at 11:59 A.M. with all Directors in attendance.

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

  No changes were made to the mailed Agenda. Director Miller motioned to accept the Agenda. ***Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.***

- **Public Comments.**

  No public comment.

- **Minutes of August Board Meeting**

  The Board considered for approval draft minutes from the Regular Board Meeting held in August 2013. Director Miller motioned to accept the minutes and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft August 2013 minutes***.

- **Approval of Bills**

  Controller Ramirez discussed warrants totaling $517,007.59, including discounts of $28.13 to be approved for the August 11 to September 11, 2013 period.

  Controller Ramirez noted several atypical expenditures for the period, including payment of $4,456 to the FERC for Dam charges, $1,927 to AMTRUST North America resulting from an audit of the 2012/2013 Workers Compensation coverage that ended up being understated (due to hiring of additional full time employee in the Operations Department), $7,213.00 to O'Laughlin & Paris for

Controller Ramirez noted the legal notice posting of delinquent standby accounts as posted in the local newspapers.

Controller Ramirez noted the 30 landowners with usage greater than their respective allotment. Cumulative overages total 218 acre feet by these 30 growers. ***This issue was discussed with the Board and it is their position that all landowners with a deficit water account balance must either arrange for intra-District grower to grower transfer, or pay the District $500 per acre foot for any amount of irrigation water used in excess of their order and or allocation.*** These rules are elucidated in the District's 2013 Rules and Regulations.

Miscellaneous receivables were noted by Controller Ramirez including receipt of funds from San Luis Water District for recapture water transfer, and payment by Landowner Harry Nicholas for water taken without authorization for which he was charged at a rate of $500 per acre foot.

It was noted that the August water deliveries of 4,755 acre feet were made from the FKC and this number is approximately 87% of last year's August usage, which is a likely reflection of the year's poor supply conditions. Water used to date through August is 20,487 acre feet which is 2,684 acre feet more than last year's usage to date for the Contract Year (since March 1).

Fishwater power plant revenue was noted to be 31% above last year's comparable time period income to date as a result of an improved PPA with PG&E compared to the previous years Agreement. KRSH July generation numbers were not available.

Controller Ramirez noted the District's LAIF balance and monthly interest rates, balance and interest on the rate covenant fund and the Capital repayment fund. ***Director Katayama requested that Controller Ramirez provide a beginning and ending period statement of funds in the Bank of the West checking account in order to more easily track transfers of money among the District's various positions, including LAIF.***

Supervisor Sanders discussed the August O&M monthly report and work by the District's field staff. A recent lightning storm damaged several of the FWR control systems and those issues were troubleshot, identified and have been or are in the process of being resolved by District Staff.

Manager Morrissey discussed the status of the QLPP development. Manager Morrissey briefed the Board on ongoing discussion relative to potential integration of the FWR plant into FPA. It was noted that an appraisal of the power plant was authorized by the FPA Board of Directors so that a purchase consideration could be evaluated provided that the District Board would be open to selling its sole interest in the FWR power plant. ***All District Board members indicated that this consideration is a viable path forward and that the appraisal should proceed.***

- **Water Management**

The Board discussed the status of water supply and use within the District this year given that the current declaration of 62% is not likely to increase. The possibility of utilizing ordered supply of landowners who either do not appear to be using their order or appear to have more water than they will use for the remainder of the year, as a source of supply for landowners that have already or will run out of water this year, was discussed again as it was during last month's Board meeting. Because of the tight supply and the unknown future demand for unused orders, especially if the fall months are dry and if the winter months engender significant delivery of frost water, the Board agreed that it was premature to make any assumption with respect to status of a perceived surplus being unnecessarily retained by any landowners.

Consensus was held that at this time it was far better to let the intra-District water market take effect.

- **Pixley Groundwater Banking Opportunity**

  Mr. Dale Brogan (General Manager of Delano-Earlimart Irrigation District) and Mr. Dan Vink (General manager of the Lower Tule River and Pixley Irrigation Districts) were present at the Board meeting to provide additional information and to respond to Director and grower questions relative to the dry year groundwater bank that they are developing collaboratively using in part, Title III funding as provided for in the San Joaquin River Restoration Settlement Act.

  A good discussion of the bank's development status, its timeline, its operative mechanism and participatory costs and commitments were discussed.

  At the end of the meeting, Director Miller requested that Manager Morrissey further evaluate the project as well as any other opportunities that could compete with participation in the bank.

  Managers Brogan and Vink, indicated that a commitment by January 1, 2014 is required to reserve shares and at that time $100 per share is due. It is anticipated by Managers Brogan and Vink that the balance of the capital requirement will be payable in about a year, coinciding with the projected completion of the CEQA process.

  In general terms, the Board did not favor a subscription process, whereby growers would opt in and pay on an individual basis but preferred, to the extent the District would be a participant, District participation on a global basis.

  There was much discussion regarding how the District could secure shares and make water available to growers as needed, at that time passing along costs to landowners to recover the cost of the banked water so that landowners not needing drier year water would not be subsidizing growers that do.

  Naturally, another issue of this option is the capital requirement and the necessity for the District to secure bond financing.

  In conclusion, no determination has yet been made and the District and Board will consider options through the end of the year.

- **Liability Insurance Coverage**

  The Board members considered renewing the existing policy for liability insurance coverage through Turner and Associates for equivalent past limits. The annual premium for this coverage is available at an increased premium of $4 per year at a cost of $17,851. ***The Board approved securing this coverage through Turner and Associates.***

  In addition, the Board approved an optional rider for Crime Coverage (a premium of $500/year) that provides coverage fraud, forgery, computer fraud, funds transfer fraud and counterfeit losses / employee theft of up to $250,000 with a $1,000 deductible.

- **Traveling Trash Screens**

  Observations in the FKC suggest that the milfoil chemical treatment effort of last winter appear to have been largely ineffective. In order to avoid major delivery problems associated with the reemergence of this pest, the Operations Department is requesting expedited acquisition of traveling trash screens at the District turnouts. **The Board indicated that as a priority item, staff should address as aggressively as finances will allow, installation of additional screens, regardless of the installation program outlined in the five year capital budget.**

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, October 9, 2013. The Meeting was called to order at 11:59 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 Ramirez, Controller, Treasurer
John C. Sanders, Operations Supervisor

Others: Ms. Susan Hacker
Ms. Theresa Hacker

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

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for October 2013 to order at 11:59 A.M. with all Directors in attendance.

2. Additions to and approval of the Agenda.

No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. ***Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.***

3. Public Comments.

Ms. Susan Ms. Theresa Hacker, of Hacker Ranch, arrived at the meeting to discuss with the Board members their dissatisfaction with this year's process for making water available to growers. They expressed to the Board that they and or their ranch manager (Randy Pennebaker) were verbally informed by District staff that the District would eventually be able to make available additional water (above their allocation) which they could purchase at their regular price. At the time of this Board meeting, this available ("extra") supply has not materialized due to the combined effects of increased irrigation demand in the District due to the very dry spring conditions and the limited 2013 Water Year supply made available from the Bureau of Reclamation.

Susan Hacker admitted that the formal written advisement issued by the District, as expressed in more than one letter to all landowners, to purchase additional water was not acted on by them as they presumed from previous years' experience that there would not be a supply shortage this late in the year. The Hackers also expressed that they did not receive a notice that they were running out of their allocated water, once they were left with 10% remaining in their allocation, and as a result had used more water than they were allotted.

The Hackers provided a signed letter to the Board of Directors summarizing their concerns signed by Ms. Susan Hacker and Hacker Ranch representative Randy Pennebaker.

The Hackers requested that there be more consistent improved communication with growers in the District suggesting that the District's website be used to provide ongoing / updated information on individual grower water supply status and that staff's written and verbal communications with growers be consistent.

The Board agreed that both of these points are important and directed staff to look into developing a District website tools/resource so that individual growers can easily determine their water supply status and to ensure that future communication with landowners, written and verbal, are consistent.

All agreed (the Board and Hacker Ranch representatives) that the water supply use and availability circumstances this year were atypical and that in retrospect, the Hacker's would have been better served by heeding the formal written notifications of the Engineer-Manager on the limited water supply. Those notifications urged landowners who thought they might run out of water, to procure additional supply that the District could make available to them (and did at a greatly subsidized price) as there might not be any water available at any price later in the year.

4. Recess for Board of Equalization Hearing

The Board recessed from the regular meeting and called to order the Board of Equalization Hearing at 12:00 P.M. to consider public input / comment / disagreement on assessed acreage per the District's records. Manager Morrissey informed the Board that the total assessed acreage within the District had not changed since last year and remained at 28,048.92 acres. No landowners appeared before the Board to contest any of the District's records.

Director Miller motioned that the Board approve the assessed acreage of 28,048.92 acres, per page 46 of the Assessment Book. Director Collin, III seconded the motion and the Board voted unanimously in favor of approving the Assessment Book as prepared by District staff.

5. Return from Recess

At 12:10 P.M. the Board closed the Board of Equalization Hearing and returned to the regular Board of Directors meeting.

6. Minutes of August Board Meeting

The Board considered for approval draft minutes from the Regular Board Meeting held in September 2013. Director Miller motioned to accept the minutes and Director Brown seconded the motion. The ***Board voted unanimously in favor of accepting the draft September 2013 minutes***.

7. Approval of Bills

Controller Ramirez discussed warrants totaling **$422,614.65**, including discounts of $13.56 to be approved for the September 12 to October 9, 2013 period.

Controller Ramirez noted several atypical expenditures for the period, including payment of $37 to Sawyers and Holland for legal services, $425.14 to CVPIA for SB-1049 litigation, $18,351 to Turner and Associates for Liability Insurance inclusive of a $500 rider for employee theft/fraud coverage, and $93.28 to Zoom Imaging Solutions for quarterly copier charges for the period of July 15 to September 24 associated with the District's new copier/scanner/printer/fax machine.

Director Brown questioned the paint purchased for the above ground diesel storage tank at the District facility in the amount of $362.45. Supervisor Sanders indicated it is a white reflective two part epoxy paint that while not required by law to be painted, was in need of painting. Director Katayama questioned the aforementioned payment to CVPIA for State Board litigation on water right fees. Manager Morrissey explained that was the final payment on what the Board had committed to funding toward the litigation and there would be no more charges without Board authorization, should that ever become a question.

After general discussion on the bills and other cash outflow, ***Director Miller motioned and Director Katayama, seconded the motion to approve the bills and warrants as presented. The Board voted unanimously in favor of this motion.***

8. Monthly Report.

Controller Ramirez covered Items A through J of the monthly report, noting delinquent standby charges due for the 2013 fiscal year totaling $25,426.12 compared to last years same period of $17,498.47.

The delinquency of landowner Echeveste was discussed. This landowner's delinquency has lapsed more than 5 years and a discussion on the next action, public auction, was had by the Board. This step has never been taken by the

District and it is not the preferred route. Notwithstanding past actions, the Board directed Controller Ramirez to notify the landowner that auction proceedings may be initiated if payment is not received in the immediate future.

A list of landowners that have used more water this year than their allocation was provided to the Board. As of September 30, that total quantity amounts to approximately 166 acre feet. No action was taken by the Board.

Miscellaneous receivables were noted by Controller Ramirez, including landowner inter-district transfers from the District to Hills Valley Irrigation District by Booth Ranches and Erik Christiansen. No action was taken by the Board.

Bureau turnout meters measured 3,535 acre feet during September. Total remaining water supply for the District is 10,029 acre feet. Anticipated usage for the remainder of the Contract Year (through February 28, 2014) ranges from 2,000 acre feet up to 8,000 acre feet based on historical maximums and minimums.

KRSH income for the month of August was noted to be $19,174.65 with a fiscal year to date (October 1) income of $66,932.

Fishwater power plant gross revenue from PG&E for the month of August was noted to be $20,750.58, totaling $121,793.32 for the Calendar Year through August.

Controller Ramirez provided the Board with a daily balance summary of the Bank of the West checking account held by the District as requested last meeting by Director Katayama.

Controller Ramirez noted 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 September O&M monthly report and work by the District's field staff.

9. Draft 2014 Budget Discussion

A draft 2014 administrative revenue budget necessary to fund all general, administrative, operation and maintenance and debt service costs was presented to the Board for their initial consideration. Based on operating revenue projections, including in-District water sales, and based on administrative and operational costs, the District's present Stand-by rates can be maintained at last year's level for fiscal year 2014 if the Rate Covenant Revenue fund is maintained at $775,000 – its current balance.

No action was taken by the Board. The Board will consider adopting the draft administrative budget to establish the Stand-by rates for 2014 in November.

10. Water Management

The Board discussed the status of water supply and use within the District this year given that the current declaration of 62% and will not be increasing. The Board determined that there remains an inadequate buffer of supply to make additional water available to any grower, over and above their District allocation.

Manager Morrissey discussed his evaluation of the net present value of cost of dry year water derived from the Pixley groundwater bank opportunity as well as alternatives that may warrant further exploration.

The Board agreed with Manager Morrissey's assessment and encouraged his further exploration of other opportunities. Based on modeling of the previous 90 year's post facto San Joaquin River Restoration flow impact on otherwise available water supply declarations and the utility of the groundwater bank, it was determined that the NPV cost of the Pixley bank is approximately $500 per acre foot.

There has been very little expression of interest by individual interests to Manager Morrissey that would compel the District to consider participation in the Pixley Groundwater Bank.

11. Electrical Power

Manager Morrissey discussed power plant operation and Friant Power Authority issues with the Board. No action was taken.

12. Friant Water Authority Issues

Manager Morrissey discussed Friant Water Authority issues with the Board – no action was taken.

13. ILRP

Manager Morrissey notified the Board that District landowners will be represented by the Kings River Sub-watershed group, should they elect third party coverage of the general order being developed and approved by the Regional Water Quality Control Board. No action was taken

14. Closed Session

The Board went into executive session to discuss the employment and compensation of Manager Morrissey at 3:45.

15. Open Session

The Board returned from executive session at 4:00 P.M. and noted that additional research was needed in order for their evaluation to be complete. The topic was tabled until the November Board meeting.

16. Adjourn

With no further business, the Board adjourned at 4:00 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday November 13, 2013 at 11:30 A.M. 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 Wednesday, November 13, 2013. The Meeting was called to order at 11:59 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 Ramirez, Controller, Treasurer John C. Sanders, Operations Supervisor
Others:	None

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

1. **Call to order.**

   Chairman Bailey called the regular Board of Directors meeting for November 2013 to order at 11:59 A.M. with all Directors in attendance.

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

   No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. ***Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.***

3. **Public Comments.**

   No public were in attendance.

4. **Minutes of August Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in October 2013. Vice Chairman Collin III motioned to accept the minutes and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft October 2013 minutes***.

5. **Approval of Bills**

   Controller Ramirez discussed warrants totaling **$595,766.80**, including discounts of $95.55 to be approved for the October 10 to November 8, 2013 period.

   Controller Ramirez noted several atypical expenditures for the period, including payment of $55,250 to International Water Screens which constitutes 25% of the total contract entered into with them for the fabrication and installation of six travelling water screens on District turnouts $4,049.84 to O'Laughlin and Paris associated with water right litigation, $1,468.75 to Friant Power Authority for the Districts share of the Fishwater Hydroelectric Power Plant Appraisal and $7,073 to ACWA for annual membership dues.

   After general discussion on the bills and other cash outflow, ***Director Katayama motioned and Director Miller seconded the motion to approve the bills and warrants as presented. The Board voted unanimously in favor of this motion.***

6. **Monthly Report.**

with maintaining the accuracy and functionality of the Delivery system.

KRSH income for the month of August was noted to be $24,332.11 with a fiscal year to date (October 1) income of $72,089.46.

Fishwater power plant gross revenue from PG&E for the month of September was noted to be $19,720.95, totaling $174,367.59 for the Calendar Year through September.

Controller Ramirez provided the Board with a daily balance summary of the Bank of the West checking account. This was reviewed by the Board.

Controller Ramirez noted 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 September O&M monthly report and work by the District's field staff.

7. Water Management

Into the new water year, there has been little precipitation. The status of carryover quantity was discussed and it appears that the District will carryover somewhere between 4 and 6 thousand acre feet. As far as demand, the Board has determined that the remaining contract supply may be made available upon request and be made available to landowners who have used all of their supply, provided they are in good financial standing with the District, at a rate of $250 per acre foot.

Manager Morrissey reviewed with the Board members the status of groundwater elevation changes in the 38 wells that have been historically monitored in the District. Based on the historical variation, it is clear the groundwater use within the District over the last 20 years has been at a sustainable rate.

Manager Morrissey will continue to evaluate the groundwater status in light of the legislative pressure that may result in a greater role by the State and or the District in a regulatory / enforcement role regarding use of groundwater resources by individuals within the District.

8. Electrical Power

Manager Morrissey discussed power plant operation and Friant Power Authority issues with the Board. No action was taken.

9. Friant Water Authority Issues

Manager Morrissey discussed Friant Water Authority issues with the Board – no action was taken.

10. ACWA Statewide Water Action Plan

The Board discussed ACWA's "SWAP". After discussion, Resolution 2013-04 was considered wherein the Board considered resolving to support ACWA's position as elucidated in their Plan. By role call vote, all Directors voted in favor of supporting ACWA's Statewide Water Action Plan.

11. State of California Water Action Plan

The Board discussed the State of California's recently published draft of their Water Action Plan, generated on the heels of the SWAP developed by ACWA. No Action was taken by the Board.

12. Engagement Agreement with Bolen-Fransen-Sawyers L.L.P.

The Board reviewed, discussed and considered entering into a formal engagement agreement with a law firm that Esquire Gary Sawyers would be officially joining;

Bolen-Fransen-Sawyers LLP. After discussion, Director Brown motioned for Chairman Bailey to execute the engagement agreement. Director Miller seconded the motion and the Board voted unanimously in favor of the motion and second.

13. Draft District 2014 Budget

The Board discussed two proposed alternatives of the District's 2014 Budget, Plan A and Plan B. Controller Ramirez went in detail over the aspects of the Budget for the edification of the Directors. After careful review, Board member discussion and consideration, Director Brown motioned to approve Plan A of the proposed budget. This motion was seconded by Director Katayama. Subsequent to the motion and second by Directors Brown and Katayama, respectively, the Board voted unanimously in favor of adopting Plan A of the two budget options reviewed.

13. ILRP

Manager Morrissey discussed the status of the Irrigated Lands Regulatory Program with the Board. He shared a letter with the Board that will be sent out to all landowners, updating them on the status of the program, specifically noting the fact that the Kings River Watershed Coalition Group will, if approved by the Regional Water Quality Control Board, act as the third party representative for any landowner in the District that signs up to be represented. Formerly, the Kaweah Delta Subwatershed Group and the Kings River Group shared that service within the District.

Manager Morrissey provided to the Board a draft of the "*Farm Evaluation-Survey Completion Instructions*" that will be required of every ILRP participating landowner. This master document will be common throughout the Central Valley Regional Water Quality Control Board jurisdiction and is under development with input from the Coalition Groups subject to their jurisdiction.

14. Closed Session

The Board entered into Executive Session at 3:50 P.M. to discuss the performance of Engineer-Manager Morrissey over the previous 12 months.

15. Return to Open Session

The Board returned to Open Session at 4:25 and reported that they had come to an agreement that Engineer-Manager continue to represent the interests of the District at a compensation rate determined and in accordance with his relative performance based on compensation of other Irrigation and Water District Managers in the Valley.

16. Adjourn

With no further business, the Board adjourned at 4:30 P.M. with the regular monthly Board of Directors meeting to be held on Friday December 13, 2013 at 11:30 A.M. 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 13, 2013. The Meeting was called to order at 1:35 P.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 Ramirez, Controller, Treasurer
John C. Sanders, Operations Supervisor

Others: None

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

1. **Call to order.**

Chairman Bailey called the regular Board of Directors meeting for December 2013 to order at 1:35 P.M. with all Directors in attendance.

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

No changes were made to the mailed Agenda. Director Brown motioned to accept the Agenda. ***Director Katayama seconded the motion and the Board voted unanimously in favor of approving the Agenda.***

3. **Public Comments.**

No public were in attendance.

4. **Minutes of November Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in November 2013. Controller Ramirez noted extraneous language in Agenda Item 12, Engagement Agreement with Bolen-Fransen-Sawyers LLP. Manager Morrissey noted the error and noted he will revise accordingly. Director Brown motioned to accept the minutes pending correction and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft November 2013 minutes, as corrected.***

5. **Approval of Bills**

Controller Ramirez discussed warrants totaling **$467,616.91**, including discounts of $2.79 to be approved for the November 9 to December 10, 2013 period.

Controller Ramirez noted several atypical expenditures for the period, including payment of $3,300 to Underground Boring for work needed to install conduit for a travelling water screen.

After general discussion on the bills and other cash outflow, ***Director Miller motioned and Director Katayama seconded the motion to approve the bills and warrants as presented. The Board voted unanimously in favor of this motion.***

6. **Monthly Report.**

Controller Ramirez covered Items A through K of the monthly report, noting delinquent standby charges due for the 2013 fiscal year totaling $22,540.36 compared to last years same period of $16,503.66.

A list of landowners that have used more water this year than their allocation was provided to the Board. As of November 30, that total quantity amounted to approximately 100 acre feet. Some of the associated deliveries are locked, particularly if the customer has had overuse in the previous month. All water used over and above what has been ordered will incur charges of at least $250/acre foot and not more than $500/ acre foot. No action was taken by the Board.

Bureau turnout meters measured 762 acre feet during November. Total remaining water supply for the District is 7,197 acre feet. Anticipated usage for the remainder of the Contract Year (through February 28, 2014) ranges from 1,000 acre feet up to 5,000 acre feet based on historical maximums and minimums. Year to date differential between total District metering and Bureau turnout meters is approximately 1% of the water use. This is well in exceedance of the target accuracy threshold of (5%) and is a clear testament to the accuracy of the Districts infrastructure and the ongoing efforts of the District Operations staff to keep up with maintaining the accuracy and functionality of the Delivery system.

KRSH income for the month of September was noted to be $20,591.41 with a final fiscal year to date (October 1) income of $92,680.87, short of the amount necessary for a distribution to the District from CHI.

Fishwater power plant gross revenue from PG&E for the month of September was noted to be $20,646.21, totaling $195,013.80 for the Calendar Year through October.

Controller Ramirez provided the Board with a daily balance summary of the Bank of the West checking account. This was reviewed by the Board.

Controller Ramirez noted 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 October O&M monthly report and work by the District's field staff.

7. Water Management

Into the new water year, there has been little precipitation. The status of carryover quantity was discussed and it appears that the District will carryover somewhere between 2 and 6 thousand acre feet. As far as the 2014 Contract Year supply, the water year is off to a very dry start, worse than 1977 while releases to the SJR are approximately 500% of the volume since October 1 to date compared to 1977.

8. District Groundwater

Manager Morrissey informed the Board that he continued to gather additional data on groundwater elevations throughout the District and was in the process of preparing information that will ultimately demonstrate that the District's water management is resulting in a sustainable utilization of the resources underlying its service area.

9. Electrical Power

Manager Morrissey discussed power plant operation and Friant Power Authority issues with the Board. The Board discussed the appraisal of the Fishwater Power Plant conducted by Appraisal Economics, Incorporated. Manager Morrissey briefed the Board on the discussion of this appraisal at the recent FPA Board Meeting. The FPA Board requested that the District provide an acceptable price of the Fishwater Power Plant that the District Board would set.

In light of the appraisal that utilized a discount rate of 10% on 20 years of projected net power plant revenue; 20 years or remaining life; a Power Purchase Agreement in effect for 20 years that is equivalent to the existing PPA, the District Board considered that the price that the District was willing to accept was significantly more than the value of the project to FPA, given the appraisal with its flaws has tainted the perspective of the FPA. In light of this, and to avoid future animosity amongst the FPA and the District, the Board decided the Fishwater Power Plant is not for sale.

10. Friant Water Authority Issues

Manager Morrissey discussed Friant Water Authority issues with the Board – no action was taken.

11. Adjourn

With no further business, the Board adjourned at 4:10 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday January 8, 2014 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary