Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 15, 2014. The Meeting was called to order at 12:08 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 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 January 2014 to order at 12:08 P.M. with the noted 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. ***Vice-Chairman Collin, III 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 December 2013 Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in December 2013. 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 December 2013 minutes.***

5. **Draft Water Rates for 2014/2015 Contract Year**

Manager Morrissey discussed the water supply outlook including; runoff to date, weather to date, weather forecast, Bureau preliminary water supply declaration based on statistical runoff given the current conditions and future exceedence forecast hydrologies as determined by the State DWR, the potential for the Exchange Contractors to make a call on Friant supplies and District rescheduled supplies anticipated as of March 1, 2014. Based on these factors, it is possible that the Bureau's initial Class 1 declaration will be 0%. It is also possible that the declaration may remain at 0% for the remainder of the year due to the combination of these factors.

As this water supply condition is unprecedented and the District must cover its O&M obligations, Manager Morrissey advised the Board that the likely worst case water supply scenario is limited to the available carryover supply that is estimated at 4,200 acre feet. Funding this year's O&M costs (including water purchase from the Bureau, the Friant Water Authority's operations, power and District operations staff), assuming this available quantity is the ultimate total supply made available, it would be necessary to charge approximately $350 per acre foot.

A water rate increase is disallowed if opposition to such by the majority of District landowners is received on or before a public hearing held 30-days following a District notice. In accordance with the public hearing requirements, all landowners will receive a District prepared letter and protest form informing them of the proposed rate increase and its justification, at least 30 days prior to the public hearing. The Board set a public hearing on the proposed rate increase for February 19, 2014. Manager Morrissey will draft the appropriate documents and mail them to all landowners by January 16, 2014.

6. **Approval of Bills**

Controller Ramirez noted net disbursements for the period December 11, 2013 to January 10, 2014 of $525,265.21. This disbursement included predominantly of $110,500.99 to Water Screens International (representing 50% payment for traveling / self cleaning water screens to be installed at five District Friant-Kern Canal turnouts), $102,350.16 to the Friant Power Authority (for its call for funds relative to costs incurred from the development of the QLPP), $129,081.25 to U.S. Bank for District Debt Service associated with infrastructure bond payments and $176,704.53 for District General Fund expenditures.

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

7. **Monthly Report.**

Controller Ramirez covered Items A through L of the monthly report, noting delinquent standby charges due totaling $71,310.30 compared to last year's same period of $61,049.30.

A list of landowners that have used more water this year than their allocation was provided to the Board. As of December 31, that total quantity amounted to approximately 255 acre feet which is up substantially from November end of month's 100 acre foot overuse. 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 in accordance with the 2013 District Rules and Regulations. No action was taken by the Board.

Bureau turnout meters measured 1,474 acre feet during December. Total remaining water supply for the District is 5,723 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 October was not available at the time of the meeting.

Fishwater power plant gross revenue from PG&E for the month of November was noted to be $11,466.49, totaling $206,460.29 for the Calendar Year through November.

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.

Controller Ramirez summarized legal expenses to date for general legal expenses and Mill Creek legal expenses. As of December 31, total legal expense payments of $70,970.50 have been made by the District, approximately 93% of which are associated with Mill Creek legal expenses.

8. **Electrical Power**

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

9. **Rules and Regulations**

The Board reviewed Manager Morrissey's proposed edits for the 2014 Contract Year. The Board approved the Rules and Regulations as drafted. The Rules and Regulations, in substantially the same form, will be mailed to each landowner in the District with they water application.

**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 2:30 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday February 19, 2014 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, February 19, 2014. The Meeting was called to order at 11:47 A.M., with the following Directors and Officers present:

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

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

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 February 2014 to order at 11:47 A.M. with the noted Directors in attendance.

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

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

3. **Public Comments.**

No public comment was made.

4. **Public Hearing on Draft Water Rates for 2014/2015 Contract Year**

At 1:00 P.M. the Board of Directors convened a public hearing to discuss the draft water rates as proposed in the Notice of Public Hearing mailed to all District Landowners dated January 15, 2014. In all, 52 District growers (including the five members of the Board of Directors) attended the meeting. Manager Morrissey responded to numerous general questions and discussed in detail with all those in attendance, the water supply outlook and the process the Board undertook to establish the draft water rates noted in the aforementioned Public Hearing Notice. Manager Morrissey explained that the basis for the rates was to generate revenue sufficient to cover fixed and variable financial obligations and no more.

At the close of the public meeting, approximately 2:40 P.M., the District received a total of 57 written protests out of the 561 landowners in the District.

The Board recessed at 2:45 P.M. intending to reconvene the Board of Directors meeting at the District Office upon arrival.

5. **OCID Water Rates for 2014 / 2015 Contract Year**

The Board reconvened the Board of Directors meeting at 3:00 P.M. with all Directors present.

The draft water rates were discussed and again considered by the Board. Because hydrologic circumstances had not changed and the allocation was still likely to be 0% Class 1, the draft water rates expressed in the Public Notice dated January were considered by the Board to be appropriate and necessary.

Vice-Chairman Collin, III motioned to establish the 2014/2015 Contract Year water rates at $346, $353 and $360 per acre foot for the three tiers of irrigation delivery within the District and $365, $372 and $379 per acre foot for the three tiers of M&I delivery within the District.

Director Katayama seconded the motion and the Board voted unanimously in favor of establishing the motioned water rates for the 2014/2015 Contract Year.

**6. Minutes of January 2014 Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in January 2014. Director Brown motioned to accept the minutes and Vice-Chairman Collin, III seconded the motion. The ***Board voted unanimously in favor of accepting the draft January 2014 minutes.***

**7. Approval of Bills**

Controller Ramirez noted net disbursements for the period January 11, 2014 to February 10, 2014 of $338,904.57.

The Board questioned succession planning for the District's accounting software as well as the O'Laughlin and Paris bill and the status of the legal process associated with the District's northern California water right. After general discussion on these issues and the bills in general, ***Director Collin, III 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 K of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

Supervisor Sanders discussed the Operations and Maintenance monthly report for January 2014.

No action was taken by the Board.

**9. Electrical Power**

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

**10. Groundwater Introduction Policy**

The Board reviewed the current draft of the Policy under development. The Board considers that there is near certainty that this option will have to be implemented this year as there is little other option to protect the interest of many landowners in the District. Manager Morrissey reviewed the Policy and suggested that Special Council Sawyers provide legal input into the process. A presumed revised Policy will be considered by the Board pending legal review and input.

No further action was taken by the Board.

**11. Friant Water Authority Issues**

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

**12. City of Fresno Membership**

The Board considered Resolution 2014-01, to admit the City of Fresno as a member of the Friant Water Authority Joint Powers Authority.

After discussion and consideration by the Board the following roll-call vote was taken:

Vice-Chairman Collin, III –Aye

Director Miller – Aye

Director Brown – Aye

Director Katayama – Aye

Chairman Bailey – Aye

Manager Morrissey, as Secretary to the Board will ensure that Chairman Bailey and he sign the Resolution 2014-01 and provide it to the Friant Water Authority.

**13. Adjournment**

With no further business, the Board adjourned at 5:10 P.M. with the regular monthly Board of Directors meeting to be held on Wednesday March 12, 2014 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, March 12, 2014. The Meeting was called to order at 11:30 A.M., with the following Directors and Officers present:

| | |
|---|---|
| Directors: | H.A. "Gus" Collin, III, Vice-Chairman<br>Director David Brown<br>Director Russell Katayama<br>Director Arlen Miller |
| Officers: | Fergus A. Morrissey, Engineer-Manager/Secretary<br>Robert Ramirez, Controller, Treasurer<br>John C. Sanders, Operations Supervisor |
| 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 March 2014 to order at 11:30 A.M. with the noted Directors in attendance.

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

   It was noted that Agenda Item 4 was included in error. No other changes were noted to the mailed Agenda. Director Katayama motioned to accept the Agenda. ***Director Brown seconded the motion and the Board voted unanimously in favor of approving the Agenda considering correction of Item # 4.***

3. **Public Comments.**

   No public comment was made.

4. **Minutes of February 2014 Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in February 2014. Manager Morrissey noted that he needed to verify two numbers included in Item 4 of the February Draft Minutes (Public Hearing) - the number of landowners present at the February 19 Public Hearing and the final number of written protests received on the proposed water rates at the close of the Public Hearing. Manager Morrissey indicated that he would verify the final number and make changes as warranted to finalize the minutes.

   Director Miller motioned to accept the minutes pending that verification and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft February 2014 minutes pending numerical verification.***

5. **Approval of Bills**

   Controller Ramirez noted net disbursements for the period February 19, 2014 to March 10, 2014 of $425,890.79.

   Director Miller questioned the expenditure made for 20 Old – Castle non-theft keys. Supervisor Sanders explained that the key is a uniquely manufactured device to remove a similarly uniquely manufactured vault lid bolt.

   Controller Ramirez noted other major and or atypical expenditures and they were discussed by the Board. After general discussion on these issues and the bills in general, ***Director Brown 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.**

   Controller Ramirez covered Items A through K of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

It was noted that Ms. Kathy Jones' property, with an outstanding Standby Charge delinquency of $6,231.74, is in escrow. It was noted that $9,744.03 in delinquencies were paid during the prior month and the total delinquent balance is $77,231.45 which is approximately $10,000 above last year's equivalent time period delinquency.

It was noted that two landowners exceeded their 2014 water allotment by a combined 6.6 acre feet. Those landowners will be billed at a rate of $250/af for excess usage and their deliveries have been and shall remain locked until full payment is received.

It was noted that the final unused 2014 supply available to the District is 5,167 acre feet, exceeding the earlier quantity estimated by Staff.

It was noted that the District received payment of $185,730 for transfer of the Districts recaptured SJRRP released water to SLWD.

Fishwater Power Plant and KRSH Power Plant outputs were discussed. It was noted that the month's revenue from the Fishwater Plant is down compared to last year due to low Millerton Lake elevation. It was noted that there has been no generation from the KRSH Plant since October of 2013, due to the lack of flows in the FKC.

The Bank of the West Checkbook report prepared by Controller Ramirez was reviewed by the Board.

Controller Ramirez discussed the LAIF Activity Report. Also reviewed were the Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Supervisor Sanders discussed the Operations and Maintenance monthly report for February 2014.

No action was taken by the Board.

**7. 2014 Operations**

The Board discussed with staff the planned operations for the upcoming contract year and it was generally noted that the challenges will be great this year. Initially, the District will make water available on a limited basis by operating groups of deliveries for limited windows of time. The Board noted that it fully appreciates how difficult the year is going to be on the staff as far as operations are concerned.

**8. Electrical Power**

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

**9. Groundwater Introduction Policy**

The Board reviewed the current draft of the Policy revised following input by District Special Legal Counsel Gary Sawyers. ***The Board unanimously approved taking the action to adopt the policy allowing landowners to introduce groundwater into the District delivery system on a limited, one year basis due to the extreme drought circumstances.*** This Policy is embraced within the Groundwater Introduction Application where the Discharger and Receiver are both party to an agreement with the District. The Board determined that the District charge a $100 application fee per landowner and a wheeling fee of $50 per acre foot to wheel groundwater in the District's system. It was noted that the wheeling fee would be considered partly refundable to the participants, as the true costs become apparent over time.

Manager Morrissey suggested sending out a letter to all landowners laying out the ground rules for operating this season, including; the Groundwater Introduction Application process, water order requirements, penalties for failing to order water in accordance with those requirements or for tampering with the System, Spot Market water pricing and proration determination and holding a public meeting on the 19th of March to discuss all of these issues. ***The Board recommended sending out this letter at first convenience.***

**10. Friant Water Authority**

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

**11. Adjournment**

With no further business, ***the Board adjourned at 3:00 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday April 9, 2014 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, April 9, 2014. The Meeting was called to order at 12:15 P.M., with the following Directors and Officers present:

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|---|---|
| Directors: | Harvey A. Bailey, Chairman<br>H.A. "Gus" Collin, III, Vice-Chairman<br>Director David Brown<br>Director Russell Katayama<br>Director Arlen Miller |
| Officers: | Fergus A. Morrissey, Engineer-Manager/Secretary<br>Robert Ramirez, Controller, Treasurer<br>John C. Sanders, Operations Supervisor |
| Others: | Mr. Jim Bates, Fowler Packing (Triple K Orchards) |

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 2014 to order at 12:15 P.M. with all Directors in attendance.

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

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

**3. Public Comments.**

Mr. Bates arrived at the meeting to discuss with the Board his contention that there was a misunderstanding relative to the District's stipulated requirements for the acquisition of $1,000 spot market water pursuant to the District's March 12, 2014 letter sent to all landowners. Mr. Bates sent a letter and a check for 200 acre feet of water at $1,000 per acre foot from Fowler Packing. Mr. Bates' letter laid out the rationale / explanation of the misunderstanding requesting the Board consider include "Triple K Orchards, Et al" into the proration pool.

There is no disagreement that the aforementioned March 12, 2014 District letter stipulated growers must contact the District to reserve the potential to acquire $1,000 per acre foot water no later than March 20, 2014. There is also consensus among the Board that the letter did not specifically state that payment was due by that date. While the District has no record of being contacted by a representative of Triple K Orchards by March 20 in accordance with the letter, the Board considered that the contention of Mr. Bates as plausible as they had previously expressed interest in acquiring $400 per acre foot water earlier in the year for Triple K Orchards.

A motion was made by Director Brown to include Triple K Orchard into the proration of the available $1,000 acre foot water. Director Miller seconded the motion, provided it was limited to the acreage assessed to Triple K Orchards and that the "Et al" entities would not be included. The following role call vote was made:

Director Collin, III – No
Director Katayama – No
Director Miller – Yes
Director Brown – Yes
Chairman Bailey – Yes

By a 3-2 vote, the Board voted to include Triple K Orchard in the proration of $1,000 per acre foot water on a proration basis to be determined later in the meeting.

**4. Minutes of February 2014 Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in February 2014. Manager Morrissey noted that he needed to verify two numbers included in Item 4 of the February Draft Minutes (Public Hearing) - the number of landowners present at the February 19 Public Hearing and the final number of written protests received on the proposed water rates at the close of the Public Hearing. Manager Morrissey indicated that he would verify the final number and make changes as warranted to finalize the minutes.

Director Miller motioned to accept the minutes pending that verification and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft February 2014 minutes pending numerical verification.***

**5. Approval of Bills**

Controller Ramirez noted net disbursements for the period February 19, 2014 to March 10, 2014 of $425,890.79.

Director Miller questioned the expenditure made for 20 Old – Castle non-theft keys. Supervisor Sanders explained that the key is a uniquely manufactured device to remove a similarly uniquely manufactured vault lid bolt.

Controller Ramirez noted other major and or atypical expenditures and they were discussed by the Board. After general discussion on these issues and the bills in general, ***Director Brown 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.**

Controller Ramirez covered Items A through K of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

It was noted that Ms. Kathy Jones' property, with an outstanding Standby Charge delinquency of $6,231.74, is in escrow. It was noted that $9,744.03 in delinquencies were paid during the prior month and the total delinquent balance is $77,231.45 which is approximately $10,000 above last year's equivalent time period delinquency.

It was noted that two landowners exceeded their 2014 water allotment by a combined 6.6 acre feet. Those landowners will be billed at a rate of $250/af for excess usage and their deliveries have been and shall remain locked until full payment is received.

It was noted that the final unused 2014 supply available to the District is 5,167 acre feet, exceeding the earlier quantity estimated by Staff.

It was noted that the District received payment of $185,730 for transfer of the Districts recaptured SJRRP released water to SLWD.

Fishwater Power Plant and KRSH Power Plant outputs were discussed. It was noted that the month's revenue from the Fishwater Plant is down compared to last year due to low Millerton Lake elevation. It was noted that there has been no generation from the KRSH Plant since October of 2013, due to the lack of flows in the FKC.

The Bank of the West Checkbook report prepared by Controller Ramirez was reviewed by the Board.

Controller Ramirez discussed the LAIF Activity Report. Also reviewed were the Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Supervisor Sanders discussed the Operations and Maintenance monthly report for February 2014.

No action was taken by the Board.

**7. 2014 Operations**

The Board discussed with staff the planned operations for the upcoming contract year and it was generally noted that the challenges will be great this year. Initially, the District will make water available on a limited basis by operating groups of deliveries for limited windows of time. The Board noted that it fully appreciates how difficult the year is going to be on the staff as far as operations are concerned.

**8. Electrical Power**

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

**9. Groundwater Introduction Policy**

The Board reviewed the current draft of the Policy revised following input by District Special Legal Counsel Gary Sawyers. ***The Board unanimously approved taking the action to adopt the policy allowing landowners to introduce groundwater into the District delivery system on a limited, one year basis due to the extreme drought circumstances.*** This Policy is embraced within the Groundwater Introduction Application where the Discharger and Receiver are both party to an agreement with the District. The Board determined that the District charge a $100 application fee per landowner and a wheeling fee of $50 per acre foot to wheel groundwater in the District's system. It was noted that the wheeling fee would be considered partly refundable to the participants, as the true costs become apparent over time.

Manager Morrissey suggested sending out a letter to all landowners laying out the ground rules for operating this season, including; the Groundwater Introduction Application process, water order requirements, penalties for failing to order water in accordance with those requirements or for tampering with the System, Spot Market water pricing and proration determination and holding a public meeting on the 19th of March to discuss all of these issues. ***The Board recommended sending out this letter at first convenience.***

**10. Friant Water Authority**

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

**11. Adjournment**

With no further business, ***the Board adjourned at 3:00 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday April 9, 2014 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, May 14, 2014. 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
Director David Brown
Director Russell Katayama
Director Arlen Miller

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

Others: Mr. Andrew Lange, Beresford Corporation
Mr. Christopher Lange, Beresford Corporation

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 2014 to order at 11:54 A.M. with all Directors in attendance.

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

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

3. **Public Comments.**

Mr. Andrew Lange and Mr. Christopher Lange appeared before the Board to discuss the possibility of:

1. conveying groundwater from one of their properties in the District, via District facilities to a nearby parcel under their ownership situated in the Tri-Valley Irrigation District, served by a District meter, and
2. modifying District's facilities by constructing a pipeline connecting Systems 1N and 1AE.

The Board had no objection to Request #1 on the bases that; it is neither precluded nor allowed in the District's 2014 Rules and Regulations, the current dire water supply circumstances warrant flexibility, both parcels are under the same ownership, non-precedent setting decision which is not generally permitted outside of specific requests under certain conditions made on a case by case basis.

The Board similarly had no object to Request #2 so long as; the interconnection was installed in accordance with the District's specifications, the alteration provides for isolation valves so that operations may revert to effectively original conditions, District Operations Staff oversee and inspect the installation and all costs required are paid for by the project proponents.

4. **Minutes of April 2014 Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in April 2014.

Director Katayama motioned to accept the minutes pending that verification and Director Brown seconded the motion. The ***Board voted unanimously in favor of accepting the draft April 2014 minutes.***

5. **Approval of Bills**

Controller Ramirez noted net disbursements for the period April 10, 2014 to May 10, 2014 of $962,500.72.

Controller Ramirez noted major and / or atypical expenditures and they were discussed by the Board. Included in that category were payments made to the Bureau, Fresno Irrigation District and the Friant Water Authority for costs associated with the February 2014 URF's (464 af and 710 af for OCID and City of Fresno allocations, respectively a total of $685,000), $11,779.27 to the Electric

Motor Shop for rehabilitation of the Fishwater Release Hydropower plant generator, and various reimbursable costs for laboratory analysis by Fruit Growers Laboratory required for discharge of landowner groundwater into the District delivery system. After general discussion on these issues and the bills in general, ***Director Miller motioned and Director Collin, III 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 J of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

Standby delinquency for the Steve Bradley property was discussed. Manager Morrissey conveyed to the Board his most recent conversation with Mr. Bradley, a few days prior to the Board meeting. At that time, Mr. Bradley clearly expressed that he was no longer interested in entertaining or negotiating a deal to have a reservoir placed on his property, or to quit claim the acreage required for the District to install a reservoir in the vicinity of his property as a settlement for the outstanding debt. Mr. Bradley further expressed that he was willing to pay $12,000 to settle all outstanding obligations with the District. Manager Morrissey conveyed to Mr. Bradley during that conversation that he was welcome to attend the Board meeting and discuss this matter, or Manager Morrissey would express his offer to the Board, Mr. Bradley chose the latter.

Controller Ramirez indicated that the current delinquency under this account is $32,536.38. The Board considered the delay in executing the District Reorganization, a process that began in 2009 and is still to be completed. The Bureau of Reclamation has been delayed in finalizing the reorganization and it is taking, in the Board's opinion, an extraordinary time for the action to be completed. As such, the Board considered resetting the clock on the debt and determined that it was willing to lessen the delinquency, to the amount that was due three years ago / two years into the reorganization. The Board therefore agreed that it would be more than fair to remove the prior three year's of delinquency from the Steve Bradley account.

Controller Ramirez ran this calculation and a determination was made that the amount payable three years, that which would have been due on January 1, 2011 was $15,861.59 and this payment by Mr. Bradley would be acceptable to extinguish all indebtedness, and that no additional indebtedness would accrue upon payment by Mr. Bradley of this amount while the District reorganization process is pending.

The Board agreed that it was not in the best interest of the District to have a reservoir in this area and this option has been eliminated from further consideration. The Board further rejected the offer from Mr. Bradley to pay $12,000 and extinguish the debt. ***The Board instructed Manager Morrissey to have District Counsel Sawyers prepare a letter to Mr. Bradley of the Board's position.***

It was noted that two landowners exceeded their 2013 water allotment by a combined 6.6 acre feet. Those landowners have been billed at a rate of $250/af for excess usage and their deliveries are locked until full payment is received.

It was noted that the water usage, as reported by Friant Water Authority, was 166 acre feet for the month of April. It was similarly noted, that there is a discrepancy that is being investigated at one of the turnouts where Friant's meter is apparently malfunctioning, and the District is hopeful of reducing the usage for April by approximately 10 af.

Fishwater Power Plant and KRSH Power Plant outputs were discussed. KRSH plant produced zero revenue and the FWR power plant revenues were down substantially due to generator rehabilitation work that took several weeks.

The Bank of the West Checkbook report prepared by Controller Ramirez was reviewed by the Board.

Controller Ramirez discussed the LAIF Activity Report. Also reviewed were the Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Supervisor Sanders discussed the Operations and Maintenance monthly report for April 2014.

**7. Water Supply**

The Friant allocation remains at zero. The Board suggested another letter be sent to landowners to solicit interest in spot market water. Most recent water operations spreadsheet provided by the Bureau indicates releases of 194,000 from Friant Dam to the Exchange Contractors with a residual supply (undeclared) of 28,000 acre feet. FWA remains engaged in working towards a solution to get the Friant Division Class 1 contractors a 25% declaration, however it has been noted to be unlikely.

**8. Resolution for District's Acquisition of February 2014 URF**

The Board considered Resolution 2014-02, authorizing action for staff to acquire its share of Unreleased Restoration Flows as well as a transfer in from the City of Fresno for their share of URF's. The following roll call vote was recorded during the meeting in this regard:

| | |
|---|---|
| Chairman Bailey | Aye |
| Vice-Chairman Collin, III | Aye |
| Director Brown | Aye |
| Director Katayama | Aye |
| Director Miller | Aye |

***By a vote of 5-0 Resolution 2014-02 was passed.***

**9. Resolution to Enter into Warren Act Contracts with the BoR**

The Board considered a Resolution authorizing the District to enter into Warren Act Letters of Agreement for the transport of Non-project water in the FKC for delivery into the District's service area. This Resolution shall pertain to all Non-project water diverted by the District from the FKC including groundwater introduced from within the District service area and other areas such as the Kaweah and Kings River basins. The following roll call vote was recorded during the meeting in this regard:

| | |
|---|---|
| Chairman Bailey | Aye |
| Vice-Chairman Collin, III | Aye |
| Director Brown | Aye |
| Director Katayama | Aye |
| Director Miller | Aye |

***By a vote of 5-0 Resolution 2014-03 was passed.***

**10. Electrical Power**

Manager Morrissey discussed with the Board status of electrical power projects.

No action was taken by the Board.

**11. Friant Water Authority**

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

**12. Adjournment**

With no further business, ***the Board adjourned at 3:50 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday June 11, 2014 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, June 11, 2014. The Meeting was called to order at 11:50 A.M., with the following Directors and Officers present:

| | |
|---|---|
| Directors: | Harvey A. Bailey, Chairman<br>H.A. "Gus" Collin, III, Vice-Chairman<br>Director David Brown<br>Director Russell Katayama<br>Director Arlen Miller |
| Officers: | Fergus A. Morrissey, Engineer-Manager/Secretary<br>Robert Ramirez, Controller, Treasurer<br>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 June 2014 to order at 11:50 A.M. with all Directors in attendance.

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

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

3. **Public Comments.**

   No Public comments were made.

4. **Minutes of May 2014 Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in May 2014.

   Director Miller motioned to accept the minutes and Director Collin, III seconded the motion. The ***Board voted unanimously in favor of accepting the draft May 2014 minutes.***

5. **Approval of Bills**

   Controller Ramirez noted net disbursements for the period May 15, 2014 to June 11, 2014 of $1,175,504.15.

   Controller Ramirez noted major and / or atypical expenditures and they were discussed by the Board. Included in that category were payments made to Tommy Wilson in the amount of $3,600 for water accounting program modifications necessary to deal with grower pump-ins, Friant Power Authority costs of $207,297.12 for QLPP development costs, and various landowner refunds of spot water deposits of approximately $630,000. After general discussion on these issues and the bills in general, ***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 J of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and

Controller Ramirez discussed the LAIF Activity Report. Also reviewed were the Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Supervisor Sanders discussed the Operations and Maintenance monthly report for May 2014.

As part of the general operations and maintenance, the possibility of integrating District delivery Systems 5 – 9 under a cost share agreement with various landowners was discussed. The Board recognizes the value of such a system integration for this year and in general other years for purposes of operational flexibility and agreed to fund 50% of the project cost, up to a total contribution of $40,000 provided that individual "participating" landowners (to be determined) pick up the balance.

The letter received from Counsel Meith of the Minasian law firm, the District's legal Counsel, relative to various unsolicited memos to the District for which invoices are generated and monies payable to Minasian firm are required were discussed. Director Brown suggested that ***Manager Morrissey request the Minasian firm refrain from sending and billing the District for unsolicited memos, unless Counsel Meith considers them vital, through the balance of the year due to financial hardships on the District and its landowners.***

**7. Water Supply**

The Friant allocation remains at zero. No action taken by the Board.

**8. Electrical Power**

Manager Morrissey discussed with the Board status of electrical power projects. A revised summary table of QLPP projected expenditures through completion was provided to the Board. At this time, the District needs to make up a deficit of approximately $300,000 in order to close the gap between project cost projection and District funds set aside for such.

No action was taken by the Board.

**9. Renewable Energy Self Generation Credit.**

Manager Morrissey discussed the proposal from HelioPower for a net metering solar facility to stabilize District electrical power costs. While the Board expressed interest, it was their consensus that Manager Morrissey stick to this years water supply crisis and avoid the distractions of discretionary projects such as this.

**10. Friant Water Authority**

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

**11. Closed Session**

The Board went into closed session to discuss District staff performance and salary adjustment.

**12. Return to Open Session**

The Board voted unanimously in favor of the discussed wage increase for District staff excluding Manager Morrissey.

**13. Adjournment**

With no further business, ***the Board adjourned at 4:30 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday July 9, 2014 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, July 9, 2014. The Meeting was called to order at 12:20 P.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice-Chairman
Director 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 2014 to order at 12:20 P.M. with all Directors in attendance.

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

It was noted that the FY 2013 financial audit is not complete. Item 5 on the Agenda – Report on FY 2013 Financial Audit – was therefore removed. It was noted that Counsel Sawyers would not be participating regarding Bradley delinquency therefore no Closed Session would be held. No other changes were noted to the mailed Agenda. Director Miller motioned to accept the Agenda. ***Director Collin, III seconded the motion and the Board voted unanimously in favor of approving the Agenda as revised.***

3. **Public Comments.**

No Public comments were made.

4. **Minutes of June 2014 Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in June 2014.

Director Collin, III motioned to accept the June 2014 minutes as mailed and Director Miller seconded the motion. The ***Board voted unanimously in favor of accepting the draft June 2014 minutes.***

5. **Approval of Bills**

Controller Ramirez noted net disbursements for the period June 12, 2014 to July 9, 2014 of $1,589,916.61.

Controller Ramirez noted major and / or atypical expenditures and they were discussed by the Board. Included in that category were payments made to Preferred Pump and Equipment of $7,560.86 for a VFD at Turnout 13, $175 for a aluminum boat purchased on Craig's List that is needed to perform maintenance on time of use reservoir level control devices and $1,200,000 to Fresno Irrigation District for 1,000 acre feet of non-project (banked) water to be delivered to the District during the summer and fall months. After general discussion on these issues and the bills in general, ***Director Miller motioned and Director Collin, III 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 J of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

Standby delinquency for the Steve Bradley property was discussed in light of offer from Mr. Bradley that was conveyed to Counsel Sawyers by Bradley's legal counsel Martinez. The offer so conveyed consisted of forgiving delinquencies from this point all the way back to 2008 and allowing Bradley to stay in the District with the understanding that he would pay Standby charges going forward. The Board considered and discussed the offer. The Board was unanimous in its position that this was not an acceptable alternative and the original offer by the

District, writing off Standby Charges incurred during 2011 to date and detaching the Bradley parcel that is in the District. ***The Board instructed Manager Morrissey direct Counsel Sawyers to convey that message to Mr. Bradley's legal representation.***

Landowners exceeding their current water allotment were noted to the Board. In general all of these users are on the path to reconciling their accounts and none of their deliveries are locked at this time.

It was noted that the water usage, as reported by Friant Water Authority, was 742 acre feet for the month of June (approximately 16% of normal), with Contract Year total usage of 1,319 acre feet through June (approximately 18% of normal year to date).

Fishwater Power Plant and KRSH Power Plant outputs were discussed. KRSH plant produced zero revenue and the FWR power plant revenues were down compared to 2013 but higher than 2012 and 2011 for the month of June.

The Bank of the West Checkbook report prepared by Controller Ramirez was reviewed by the Board. The beginning and ending balances, corresponding to June 4 and June 29 were $74,937.27 and $69,567.19, respectively.

Controller Ramirez discussed the LAIF Activity Report. The LAIF balance is $5.17 MM which includes $0.20 MM in 2014 capital budget items, $2.16 MM in unearned water deposits and $2.81 MM in the current year operating fund. Also reviewed were the Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Supervisor Sanders discussed the Operations and Maintenance monthly report for June 2014. Among other items, integrating District delivery systems 5, 6, 7 8 and 9 was discussed and it was noted that the preliminary bids received by contractors are in agreement with the costs estimated by District Staff. Staff will continue to explore this project by refining estimates, finalizing participation interest such that the District will contribute 50% and not more than $40,000 to fund the project and executing a contract with a qualified contractor.

It was noted that the District will be operating under normal water ordering procedures with all delivery systems contemporaneously active.

**7. Bradley Delinquency**

Standby delinquency for the Steve Bradley property was discussed in light of offer from Mr. Bradley that was conveyed to Counsel Sawyers by Bradley's legal counsel Martinez. The offer so conveyed consisted of forgiving delinquencies from this point all the way back to 2008 and allowing Bradley to stay in the District with the understanding that he would pay Standby charges going forward. The Board considered and discussed the offer. The Board was unanimous in its position that this was not an acceptable alternative and the original offer by the District, writing off Standby Charges incurred during 2011 to date and detaching the Bradley parcel that is in the District. ***The Board instructed Manager Morrissey direct Counsel Sawyers to convey that message to Mr. Bradley's legal representation.***

**8. Water Supply**

The Friant allocation remains at zero. Manager Morrissey informed the Board that the San Joaquin River Exchange Contractors Water Authority Board had taken action to approve the transfer of 13,500 acre feet of water to Friant Districts including 4,500 acre feet to the District. Manager Morrissey will prepare a letter to all District landowners that have ordered water requesting deposits commensurate with their quantity interest. As previous spot market water allocated this year, proration will be done on an acreage basis should the requests for water exceed the available 4,500 acre feet.

Manager Morrissey recapped the various water supplies available to the District this year including Rescheduled 2013 supplies, URF's, various Warren Act water supplies off the Kings River and Kaweah River as well as supplies from District landowner deliveries into the District's system and into the FKC.

Based on the quantities and conveyance charges associated with these water supplies, the District appears to be in a financially secure operations position and water user rebates may be possible next year.

No action taken by the Board.

**9. Electrical Power**

Manager Morrissey discussed with the Board status of electrical power projects.

No action was taken by the Board.

**9. Investment Policy**

Manager Morrissey discussed the proposal draft of the 2014 Investment Policy. Aside from date changes in the document, no other edits were suggested. Director Collin, III motioned and Director Miller seconded the motion to approve the Draft 2014 Investment Policy as provided. The Board voted unanimously in favor of adopting the Policy.

**10. Resolution to Detach Land from OCID**

The Board considered Resolution 2014-04 to formally detach lands in Fresno County, identified by APN's 375-040-021 and 375-030-015. Action was taken by Fresno County LAFCO in 2002 detaching said lands and annexing them into the City of Orange Cove. Standby charges have been paid in full, deliveries have been removed and substitute lands have been brought into the District as a result of this action. A Resolution is need by the Bureau of Reclamation to formally recognize the detachment. The following roll call vote on the Resolution was had:

| | |
|---|---|
| Vice-Chairman Collin, III | Aye |
| Director Miller | Aye |
| Chairman Bailey | Aye |

The Board unanimously adopted Resolution 2014-04.

***Manager Morrissey will provide a copy of said Resolution to the Bureau of Reclamation.***

**11. Certificates of Sale**

The Board considered Resolution 2014-05 to pursue liens (Certificates of Sale) on parcels with delinquent balances. The Resolution will permit recording of liens on various parcels within the District within Tulare and Fresno Counties. Six parcels in Fresno and twenty parcels in Tulare County have delinquencies that substantiate recording a lien.

The following Roll call vote on this Resolution was had:

| | |
|---|---|
| Vice-Chairman Collin, III | Aye |
| Director Miller | Aye |
| Chairman Bailey | Aye |

The Board unanimously adopted Resolution 2014-05.

***Controller Ramirez will record liens on the delinquent parcels.***

**12. Friant Water Authority**

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

**13. Adjournment**

With no further business, ***the Board adjourned at 3:10 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday August 13, 2014 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 August 13, 2014. The Meeting was called to order by Chairman Bailey at 11:55 A.M., with the following Directors and Officers present:

| | |
|---|---|
| Directors: | Harvey A. Bailey, Chairman<br>H.A. "Gus" Collin, III, Vice-Chairman<br>David Brown, Director<br>Russell Katayama, Director<br>Arlen Miller, Director |
| Officers: | Fergus A. Morrissey, Engineer-Manager/Secretary<br>Robert Ramirez, Controller, Treasurer |
| Others: | Joe Mastro, Cuttone and Mastro, Financial Auditor |

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

1. **Call to order.**

   Chairman Bailey, called the regular Board of Directors meeting for August 2014 to order at 11:55 A.M. with all Directors in attendance.

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

   No changes were noted to the mailed Agenda. Director Miller motioned to accept the Agenda. ***Director Collin, III seconded the motion and the Board voted unanimously in favor of approving the Agenda.***

3. **Public Comments.**

   No Public comments were made.

4. **Minutes of July 2014 Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in July 2014.

   Director Collin, III motioned to accept the July 2014 minutes as mailed and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft July 2014 minutes.***

5. **Financial Audit (2013 and 2012 Restated)**

   Auditor Mastro discussed in detail the 2013 and 2012 fiscal year financial audit with the Board of Directors. Modifications to a few provisions / rules established by the Governmental Accounting Standards Board engendered a restatement of the 2012 financial audit. While the implications of the rule changes resulted in substantive restatement of the 2012 Audited Financial Statement, those changes were not of consequence to the general financial standing or rate covenant coverage.

   In summary, the 2013 Fiscal Year operations resulted in a positive change in net position of the District, relative to the restated 2012 financial audit, of $891,000.

   After discussion on various aspects of the reported financial statement, Director Brown motioned that the Board accept the financial audit report prepared by Auditor Mastro. Director Katayama seconded the motion. The following roll call vote was taken on the motion and second to accept the audit report:

   Director Collin, III – Aye

   Director Miller - Aye

   Director Brown – Aye

   Director Katayama – Aye

   Chairman Bailey – Aye

**6. Approval of Bills**

Controller Ramirez noted net disbursements for the period July 7, 2014 to August 13, 2014 of $3,531,205.08.

Controller Ramirez noted major and / or atypical expenditures and they were discussed by the Board. Included in that category were payments made to the San Joaquin River Exchange Contractors Water Authority for $1,125,000 for 4,500 acre feet of water, $1,507,000 to Kaweah Delta Water Conservation District for 1,000 acre feet of water, $348,117 to Kaweah Delta Water Conservation District for 231 acre feet of water, and $1.11 to Southern California Gas Company for usage of natural gas. After general discussion on these issues and the bills in general, ***Director Collin, III motioned and Director Brown seconded the motion to approve the bills and warrants as presented. The Board voted unanimously in favor of this motion.***

**7. Monthly Report.**

Controller Ramirez covered Items A through J of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

It was noted that the water usage, as reported by Friant Water Authority, was 1,939 acre feet for the month of July (approximately 35% of normal), with Contract Year total usage of 3,268 acre feet through July (approximately 25% of normal year to date).

Fishwater Power Plant and KRSH Power Plant outputs were discussed. KRSH plant produced zero revenue and the FWR power plant revenues were very close compared to 2013 and higher than 2012 for the month of July.

Controller Ramirez reviewed Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Manager Morrissey discussed the Operations and Maintenance monthly report for July 2014.

**8. Bradley Delinquency**

Standby delinquency for the Steve Bradley property was discussed and noted to the Board that Mr. Bradley has accepted the District's settlement offer. Counsel Sawyer is arranging payment within the provided time window of 90 days from the date of acceptance, July 23, 2014.

**9. Water Supply**

The Friant allocation remains at zero. Steps relative to ensuring maximizing next year's water supply were discussed as was the outlook for next year's supply.

No action taken by the Board.

**10. Electrical Power**

Manager Morrissey discussed with the Board status of electrical power projects.

No action was taken by the Board.

**11. Friant Water Authority**

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

**12. Mill Creek Water Right**

Director Miller, Vice-Chairman Collin, III and Manager Morrissey briefed the Board on the August 5, 2014 proceedings at Tehama County Superior Court. A decision by the presiding Judge Garaventa is pending and expected anywhere between 30 and 90 days from the date of the trial. It was noted that no members of the Los Molinos Mutual Water Company were present at the trial, aside from the General Manager of the entity, Daryl Mullins.

Present at the trial for the District were Counsel members Paris and George, as well as Vice-Chairman Collin, III, Director Miller, and Manager Morrissey.

**13. Adjournment**

With no further business, ***the Board adjourned at 3:30 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday September 10, 2014 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 September 10, 2014. The Meeting was called to order by Chairman Bailey at 12:05 P.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice-Chairman (arrived at 1:00 P.M.)
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

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

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

1. **Call to order.**

Chairman Bailey, called the regular Board of Directors meeting for September 2014 to order at 12:05 P.M., with all Directors except Vice-Chairman Collin who arrived at 1:00 P.M., in attendance.

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

No changes were noted 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 comments were made.

4. **Minutes of August 2014 Board Meeting**

The Board considered for approval draft minutes from the Regular Board Meeting held in August 2014.

Director Brown motioned to accept the August 2014 minutes as mailed and Director Katayama seconded the motion. The ***Board voted unanimously in favor of accepting the draft August 2014 minutes.***

5. **Approval of Bills**

Controller Ramirez noted net disbursements for the period August 14, 2014 to September 10, 2014 to of $268,546.70.

Controller Ramirez noted major and / or atypical expenditures and they were discussed by the Board. Included in that category were payments made to AMTRUST North America for $18,117.00 for workers compensation insurance at a rate equivalent to last year's rate, $8,026.57 to Lindmore Irrigation District for temporary employment of Ken Hirabayashi for the May – July period, and $10,527.90 to O'Laughlin & Paris for legal services associated with Tehama County Superior Court trial on Mill Creek water right. After general discussion on these issues and the bills in general, ***Director Katayama motioned and Director Brown 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 J of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, LAIF balance and return and CD's.

It was noted that the water usage, as reported by Friant Water Authority, was 1,923 acre feet for the month of August (approximately 35% of normal), with Contract Year total usage of 5,180 acre feet through August (approximately 25% of normal year to date).

Fishwater Power Plant and KRSH Power Plant outputs were discussed. KRSH plant produced zero revenue and the FWR power plant revenues were 10% greater than last years revenue for the month of August.

Controller Ramirez reviewed Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP Project under development.

Supervisor Sanders discussed the Operations and Maintenance monthly report for August 2014.

**7. Water Supply**

The Friant allocation remains at zero. Steps relative to ensuring maximizing next year's water supply were discussed as was the outlook for next year's supply.

Manager Morrissey discussed an option for consideration related to the carryover of groundwater pumped into the FKC by District landowners / allowing pumping into the Canal for such a purpose for the remainder of this Calendar Year and through the remained of the 2014/2015 Contract Year. The Board discussed the option and the consensus was that this would not be permitted. The Board made the determination that pumping into the Canal would be permitted only through the 2014 Calendar Year and the District would not pursue an amendment to the Warren Act Contract with the United States Bureau of Reclamation that would allow a storage component and therefore use beyond that which is presently provided for in the Contract (up to 60 days maximum storage period).

Other water management activities were discussed. At this time, it appears that the available supply may exceed 2014/2015 Contract Year demand by 3,000 to 5,000 acre feet. Most, if not all of this water will be colored as 2013/2014 Contract Year supply and be carried over for next year. There is greater uncertainty this year relative to fall and summer use and there is as normal, uncertainty for frost protection.

It is customary at this point in the season, for the District to assert control over Contract water supplies ordered by landowners, (specifically excepting spot market water which is considered differently) which appear will not be used. The Board discussed this option this year and recognizes that at this point in time, there would be no action along this line. Concern that particular landowners may not have enough frost water available to them was discussed.

Along this line, it was discussed that a letter may be warranted from the District to notify landowners that they need to be aware of their particular quantity of residual supply going into this winter season, evaluate their need for frost water and arrange for transfers from other landowners in the District, to the extent possible, should that be necessary.

Manager Morrissey noted that a potential option for short frost water supply, was pre-use of 2015/2016 Contract Year supply. There is no guarantee that the Bureau would allow such pre-use given the uncertainty that will likely be in play this winter relative to Delta Operations, Exchange Contractor Supplies, SJRRP flows, hydrology, etc....

No action taken by the Board.

**8. Liability Insurance**

The Board considered authorizing staff to enter into a year contract with Turner and Associates for Liability Insurance Coverage. The Board reviewed the limits of coverage which in general provide for liability coverage up to $8MM. With equivalent limits of coverage to the last years policy, the premium of $18,707 is $356 above last years premium. Director Miller motioned for the Board to ***approve obtaining this liability insurance coverage through Turner and Associates***. Director Brown seconded the motion. The following roll call vote was taken:

Vice Chairman Collin, III - Aye

Director Brown – Aye

Director Katayama – Aye

Director Miller – Aye

Chairman Bailey – Aye

***The motion and second were unanimously approved and the District will execute the agreement for annual coverage for liability insurance with Turner and Associates as provided by in their proposal to the District.***

**9. Friant Power Authority Issues**

Manager Morrissey discussed with the Board, continuing issues associated with difficulties encountered in dealing with the California Energy Commission relative to Certification that the QLPP as a renewable power generation facility. The FPA is working with lobbyists to rectify this situation. The financial implications are severe if this is not addressed, and according to GM Carlisle, the window for rectification is severely limited.

**10. Groundwater Legislation**

Manager Morrissey discussed the memorandum received by Counsel Sawyers relative to the passed groundwater legislation. Manager Morrissey invited Board members to attend a groundwater symposium to be held in October.

**11. Friant Water Authority Issues**

The Board discussed general issues relative to the Friant Water Authority. The Board was apprised and agreeable to the notion that the FWA approve a call for funds based on an amount commensurate with 25% of the proposed 2014/2015 FWA budget. At this time, with the uncertainty of the continued existence of the FWA 2014, there is no commitment for an annual expenditure for an annual budget. This decision to approve payment of 25% of the provisional budget will be made at the September 2014 FWA Board of Directors meeting.

**12. Financial Contributions**

The Board considered and approved contribution of $1,000 to the Pacific Legal Foundation. The Board approved contribution of $1,500 to the Family Farm Alliance in accordance with FY 2014 budget.

**13. 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 Wednesday October 8, 2014 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 October 8, 2014. The Meeting was called to order by Chairman Bailey at 11:35 A.M., with the following Directors and Officers present:

| | |
|---|---|
| Directors: | Harvey A. Bailey, Chairman<br>H.A. "Gus" Collin, III, Vice-Chairman<br>David Brown, Director<br>Arlen Miller, Director |
| Officers: | Fergus A. Morrissey, Engineer-Manager/Secretary<br>Robert Ramirez, Controller, Treasurer<br>John Sanders, Operations Supervisor<br>Don Wright – Renewable Resources Group |

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 2014 to order at 11:35 A.M., with all Directors sans Director Katayama in attendance.

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

   Manager Morrissey noted that an additional item #13, was added to the Agenda to provide for a discussion by the Board on their position on the Upper Kings River Basin Integrated Water Management Plan. No other changes were noted 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 modified Agenda.***

3. **Public Comments.**

   Don Wright introduced himself and noted that he was attending various local water Board meetings to familiarize himself with those communities. Mr. Wright noted that the majority of his income stems from his association with the Renewable Resources Group (Group), a holding company from Los Angeles, recent purchasers of Sun World.

   Mr. Wright had no particular comments to make to the Board and was present for introductory purposes.

4. **Minutes of September 2014 Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in September 2014. Vice-Chairman Collin noted that there was an inconsistency in the minutes concerning his present at the start of the meeting and his actual arrival approximately one hour into the meeting. Manager Morrissey noted that he would make that clarifying correction. Director Collin motioned to approve the minutes with that clarification. Director Miller seconded the motion and the Board voted unanimously in favor of approving the minutes with the noted correction.

5. **Recess for Board of Equalization Meeting**

   The Board recessed at 12:00 P.M. for the annual Board of Equalization meeting. No public attended the meeting.

   It was reported to the Board by Collector Morrissey that there have been no changes to assessed acreage over the previous year and that the acreage of each parcel remains

stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, and return and CD's.

It was noted that Steve Bradley account reflects $0 in Standby delinquency as funds have been received by him covering in total those accrued delinquencies and no further charges will ensue on his parcel prior to and after its detachment from the District.

Various receivables were noted including conveyance charges for outside water brought into the District on behalf of particular landowners ($150/af) and various groundwater pump-in charges associated with laboratory testing and infrastructure. It was noted that there is an error on the receivables due to double billing for purchased pipe and furthermore, as has been previously discussed, reimbursement to cover 50% of the cost of system integration (Systems 7, 8 and 9) is to be determined.

It was noted that the water usage, as reported by Friant Water Authority, was 2,082 acre feet for the month of September (approximately 35% of normal), with Contract Year total usage of 7,263 acre feet through September (approximately 30% of normal Contract Year to date).

Fishwater Power Plant and KRSH Power Plant outputs were discussed. KRSH plant produced zero revenue and the FWR power plant revenues were 94% of last years revenue for the month of September.

Controller Ramirez reviewed Rate Covenant Fund Certificates of Deposits and those Certificates of Deposits set aside for longer term payments needed for the FPA QLPP.

Supervisor Sanders covered activities on the O&M side for the month of September, noting a lot of issues popped up requiring repairs. Director Brown suggested installation of a marker of some kind, to indicate the presence of an air vent so that there are less frequent accidental impacts and damage. Supervisor Sanders will come up with a plan for this.

There was significant discussion on customizing charges, to ascribe more accurately power consumed by conveying water to an individual turnout. There was not consensus on the merits of this in general, however as location is not generally part of the calculus of costs attributable to landowners, for instance regarding how close one is to a turnout (pipeline costs are spread uniformly, not geographically). That said, when there are significant boosting costs to make a few deliveries, it may be unfair to spread those costs to all. This will be discussed at future Board meetings. For now, the staff will do everything it can to optimize power requirements and efficiencies of operation such that total costs are minimized.

It was noted that the staff is pursuing an option of floating solar facility on Reservoir 8.

***No action taken by the Board.***

**9. Water Management**

There was little to discuss in this regard. At this point in time, it appears the District may have a carryover on the order of 4,000 acre feet but this projection is highly speculative on the basis of unknown hydrologic and temperature forecasts and sustained ability to pull water from underlying aquifers which each day becomes more of a challenge. It is possible that there will be no carryover if it is dry, freezing and aquifer yield drops.

A fair amount of analysis on water use, types of water available and how that water is to be colored both among landowners and for the District as a whole, needs to be done. The SJRRP Manager has indicated that the Bureau will allow carryover / rescheduling of URF into next year upon request. It is uncertain at this point in time if that will be necessary.

**10. Friant Power Authority Issues**

Manager Morrissey discussed with the Board, continuing CEC issues. A letter, signed by legislators (Senators Fuller, Canella and Vidak and Assembly members Salas, Bigelow, Patterson, Conway, Gray and Perea) was provided to the Board. It is hoped that this letter incentives the CEC to live up to their promises. Otherwise, the QLPP is moving forward and construction contracts are going out for bid in the middle of the month (October).

**11. Resolution 2014-06**

The Board considered adopting Resolution 2014-06 for the acceptance of a Warren Act Contract to receive Kaweah River water via the FKC. The following roll call vote followed:

| | |
|---|---|
| Vice-Chairman Collin: | Aye |
| Director Brown: | Aye |
| Director Miller: | Aye |
| Chairman Bailey | Aye |

By unanimous vote, ***the Board adopted Resolution 2014-06***.

**12. Friant Water Authority Issues**

The Board discussed general issues relative to the Friant Water Authority.

***No action was taken by the Board.***

**13. Adopting the Upper Kings Basin IRWMP**

The Board discussed the consideration of supporting the efforts of this Agency's pursuit of regional water resources planning in an integrated manner and is agreeable to the adoption of their Plan.

**14. Closed Session**

Because not all Directors were present at the meeting, no closed session was held. The topic of Manager Morrissey's employment with the District will be discussed in closed session at the November Board meeting.

**15. Adjournment**

With no further business, ***the Board adjourned at 3:03 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday November 12, 2014 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 November 12, 2014. The Meeting was called to order by Chairman Bailey at 11:55 A.M., with the following Directors and Officers present:

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

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

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 2014 to order at 11:55 A.M., with all Directors in attendance.

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

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

3. **Public Comments.**

   No members of the public were present.

4. **Minutes of October 2014 Board Meeting**

   The Board considered for approval draft minutes from the Regular Board Meeting held in October 2014. Vice-Chairman Collin noted that there was need for correction relative to the public comment item. ***Manager Morrissey noted that he would make the corrections as noted by the Board.***

   ***Director Brown motioned to approve the minutes as corrected. Director Miller seconded the motion and the Board voted unanimously in favor of approving the minutes with the noted correction.***

5. **Approval of Bills**

   Controller Ramirez noted net disbursements for the period October 9, 2014 to November 12, 2014 of $616,460.57.

   Controller Ramirez noted major and/or atypical expenditures. After general discussion on these issues and the bills in general, ***Director Brown motioned and Director Katayama seconded the motion to approve the bills and warrants as presented. The Board voted unanimously in favor of the motion to approve payment of the Bills as presented.***

6. **Closed Session**

   The Board went into Closed Session at 12:30 P.M. to discuss potential litigation.

7. **Return to Open Session**

   The Board returned to Open Session at 4:30 P.M. with no reportable action.

8. **Monthly Report**

   Controller Ramirez covered Items A through K of the monthly report, including delinquent stand-by charges, excess water usage, water deliveries to date and various financial categories including power plant revenue, and return and CD's.

   Of particular note, as of October 31 there were approximately 241 acre feet of water used over and above customer availability. Of this 241 acre feet, it is staff's analysis that 189 acre feet will be resolved by transfers. Similarly, it is staff's analysis that 52 acre feet of overuse will not be so easily resolved or at least, at this point there has been no indication of the manner of resolution. The latter category users' delivery(ies) are locked and they will be billed at a rate of $2,500 per acre foot of overuse with the option of arranging a transfer facilitated by a landowner with available supply.

   ***No action was taken by the Board.***

**9. Water Management**

Manager Morrissey discussed with the Board the status of remaining District water supply. At this time, in addition to unused 2013 rescheduled supply there are approximately 1,000 acre feet of spot market water held by landowners, some of which may not be utilized prior to the end of February 2015 (the Contract Year). The question has come up as to whether or not those spot market supplies may be carried over, in the form of a quantity as funds paid for that supply are not creditable to the landowners account, for use next year.

***The Board discussed this consideration and determined that under the unique present circumstances, unused spot market supply quantity may be carried over on behalf of the spot market owning landowner such that they will be able to "reschedule" that quantity of water for next Contract Year's use (provided the Bureau approves the District's rescheduled quantity) and further provided that the landowner so requesting pays for the rescheduling fee imposed on the District by the Bureau. The Board was clear that this is singular concession applicable to spot market water, this Contract Year.***

**10. Draft 2015 Budget**

The Board discussed the 2015 Fiscal Year Draft Budget as presented by Controller Ramirez. The draft budget assumes that in-District water sales will cover the cost of water and delivery of this water, including operations and maintenance staff, supplies, fuel and Friant Water Authority Conveyance costs.

The budget under consideration must in general cover debt service, general and administrative, and legal costs. Two options were presented and the Board approved selection of Plan A of the Draft Budget, which under the assumptions (some hopefully conservative) made results in a revenue to expenses deficit of approximately $8,000.

**11. Friant Power Authority Issues**

Manager Morrissey discussed with the Board various FPA issues. Notable is that the 100% design is complete and bids for project construction have hit the street. It is expected that construction will begin in the early stages of February 2015. At this time, while on a positive track, CEC issues hindering renewable energy certification remain to be resolved.

***No action was taken by the Board.***

**12. SJRRP Issues**

The Board discussed issues associated with the SJRRP, including the revised framework for implementation that assess program costs on the order of $1.6 billion and a timeline for completion close to 2030, based on available (or lack thereof) funding appropriated by Congress and or availability of monies from the State of California.

***No action was taken by the Board.***

**13. Friant Water Authority Issues**

The Board discussed general issues relative to the Friant Water Authority.

***No action was taken by the Board.***

**14. Closed Session**

The Board went into closed session to discuss the compensation of Manager Morrissey for the coming year.

**15. Return to Open Session**

***The Board disclosed in open session that has decided to increase the salary of Manager Morrissey by a net 4% effective November 1, 2014.***

**16. Adjournment**

With no further business, ***the Board adjourned at 6:03 P.M.*** with the regular monthly Board of Directors meeting to be held on Wednesday December 10, 2014 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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