

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 10, 1996.

The Meeting was called to order at 1:34 P.M., with following Directors and Officers present:

Directors: Richard D. McFarlin, Vice President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager- Secretary
Glenn F. Stringer, Treasurer

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Collin offered a motion to approve the minutes as mailed. The motion was seconded by Director Bailey and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$68,208.63. After discussion, Director Collin offered a motion to approve the bills. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under the Monthly Report, Messrs. Robert Ramirez, Roel Briones and Sean Geivet appeared before the Board to give their staff reports. Messrs. Ramirez and Briones reported on the financial statements and other accounting activities including reconciliation of various District activities. Mr. Geivet then reported on the rehabilitation program activities and other on-going activities were discussed.

A discussion was then held regarding land acquisition for 11A. A new situation had been encountered in that part of the land needed for the reservoir was planted to a permanent crop. Land taken previously for reservoir sites had been non-cropped land wherein the District had permitted an inclusion of four acres for each acre taken. After discussion, Director Orlopp offered a motion to offer the landowner an inclusion of 10 acres for the 2.3 acre partially-planted site. The motion was seconded by Director Brown and unanimously approved by the Board.

The 1996 water rates were then discussed. Two alternatives were presented to set the canal side rate. The first was to use the Bureau's water rate schedule which would be \$32.00 per acre foot or, the alternative, pool the 1995 water purchased but unused with

the 1996 water and blend the rate. The blended cost would be \$29.50 per acre foot canal side. After discussion, Director Bailey offered a motion to set the canal side rate at \$29.50, add a delivery fee of \$4.25 and the estimated power component, if any, to the establish the final system rates. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding the potential to implement a groundwater banking program with Fresno Irrigation District. Discussions to date had been held at the management level which identified potentials for both District's to gain through such a program. A meeting of the boards was suggested to further these discussions. The Board was agreeable to furthering the discussion with Fresno but suggested that the joint meeting be held after March.

The refinancing of the Rehabilitation Program's debt service was then discussed. Smith Barney had performed a preliminary review and had identified an opportunity to save about five percent over the current COPs. Items were identified that warranted discussion with the District landowners prior to initiating a formal effort to refinance. However, the Board agreed that the effort should continue to identify potential opportunities to cut landowner cost associated with the rehab program.

A closed session was called at 4:31 p.m. to discuss an employee request to make a withdrawal from the deferred compensation program. The Board returned to open session at 4:43 p.m., wherein, Director Bailey offered a motion to approve the request. The motion was seconded by Director Brown and approved by majority vote.

A discussion was then held regarding the purchase of additional computers to support the District. After discussion, Director Brown offered a motion to allocate \$12,000.00 for additional computers and supporting equipment. The motion was seconded by Director Collin and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 5:50 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 14, 1996.

The Meeting was called to order at 1:43 P.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Orlopp offered a motion to approve the minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$709,931.51. After discussion, Director Brown offered a motion to approve the bills. The motion was seconded by Director Collin and unanimously approved by the Board.

Staff reports were then presented to the Board. Mr. Robert Ramirez reported on the District's financial activities including the reconciliation of account schedules in preparation for the audit. Mr. Roel Briones reported on the reconciliation of the Rehabilitation Fund and Mr. Sean Geviet reported on construction activities, schedules and District operations.

A discussion was then held regarding the District's carryover water as to whether we should try to sell, carryover or just let it go. There was a fairly high risk that we would not be able to store the water for any time period with the current water level at Millerton Lake. After discussion, the Board directed management to sell what we could and then weigh our options regarding carryover up to February 29th.

Power plant production and other on-going activities were also discussed.

A discussion was then held regarding the installation of a burglar alarm system on the District's main office. A proposal from Valley Alarm was presented to the Board for consideration. After discussion, Director Orlopp offered a motion to accept the proposal by Valley Alarm for the installation of the full alarm system including smoke detectors. The motion was seconded by Director Collin and unanimously approved by the Board.

A discussion was then held in consideration of support for Mr. Ed Waldron from Fresno Irrigation District for executive committee of ACWA/JPIA. After discussion, Director Brown offered a motion to support Mr. Waldron. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding how best to handle major activities during 1996. The three major activities have been identified which will take considerable amount of staff time. Those activities are to complete the rehab. program, initiate a groundwater management study and the study of how best for the District to position itself for the long term deregulation. Manager Chandler's recommendation was to undertake these challenges via team approach made up of District staff. The team would be made up Messrs. Gray, Geivet and Chandler wherein each person would assume the lead for one activity. These activities may need the involvement of Board members for committees to help evaluate options and give direction to staff. This will be evaluated with time.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, March 13, 1996.

Meeting was called to order at 1:34 P.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Others: Dave Houston, Smith Barney

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Collin offered a motion to approved the minutes as mailed. The motion was seconded by Director Bailey and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$474,545.63. After discussion, Director Orlopp offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Accounting Manager Robert Ramirez reported on the financial standing of the District and the status of schedule preparation for the audit. Mr. Roel Briones reported on the reconciliation of the Rehab COPs and recommended a redistribution of funds in accordance with the indenture. The rehab standby collections should be attributed to interest payments while interest collected on the acquisition fund remain with that fund. After discussion, Director Brown offered a motion to make the change. The motion was seconded by Director Bailey and unanimously approved by the Board.

Operations Engineer Manager Geivet then reported on construction activities, schedules and activities for water deliveries. A discussion was also held regarding whether or not to make water "subject to availability" for those who purchased water late. After discussion, the Board elected to not impose the "subject to availability" condition due to the adequacy of supply.

A discussion then pursued regarding the length and starting time of the Board meetings. Director Orlopp offered that he no longer had a Wednesday morning conflict. After further discussion, Director Collin offered a motion to change the starting time to 11:30 A.M. The motion was seconded by Director Brown and unanimously approved by the Board.

Mr. Dave Houston, Smith Barney, appeared before the Board to discuss the opportunity and benefits to refunding the District's COPs. Mr. Houston was successful in getting a commitment for bond insurance which would provide about five (5) percent savings over the current issue. Mr. Roel Briones had evaluated Mr. Houston's proposal along with other alternatives and supported the Houston proposal. After discussion, the Board directed staff to pursue refunding with Mr. Houston.

The District's Conflict of Interest Code was then discussed. The Code needed minor revisions due to new State guidelines for entities involved in investing public funds. After discussion, Director Orlopp offered a motion to approve the amendment. The motion was seconded by Director Brown and unanimously approved by the Board.

Under landowner issues, a discussion was held regarding a meeting between Mr. Roger Norton and Manager Chandler. Mr. Norton was unhappy with the District over many issues of which several go back well over ten years. More recently, he is unhappy with the District's new pipeline installation on his property and, more particularly, Operations Engineer Manager, Sean Geivet. After the issue was thoroughly discussed, the Board directed Manager Chandler to make one final effort to reconcile the differences by waiving certain repair fees but firmly inform Mr. Norton this was the District's final effort.

CVPWA dues were then discussed. After discussion, Director Orlopp offered a motion to pay the general membership dues. The motion was seconded by Director Bailey and unanimously approved by the Board.

The Employee Handbook was then discussed. Manager Chandler asked if there were any comments or whether more time was needed. It was agreed that comments should be in within about two weeks so the process can proceed.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

March 26, 1996

The Board of Directors of the Friant Power Authority met this day in regular session in the offices of the Friant Water Users Authority, Lindsay, California.

CALL TO ORDER

The meeting was called to order at 10:08 a.m. by President Quinten A. Luallen.

ROLL CALL

A roll call of those present indicated all member agencies had a representative present.

ATTENDANCE

DIRECTORS PRESENT:

Chowchilla Water District	-	Valerio Tarabini
Delano-Earlimart Irrigation District -		Nick Canata
Lindmore Irrigation District	-	Quinten A. Luallen
Lindsay-Strathmore Irrigation District	-	C. Myron Butterbaugh
Madera Irrigation District	-	Fred Valenzuela, Jr.
Southern San Joaquin M.U.D.	-	A.J.F. Clement
Terra Bella Irrigation District	-	Edwin L. Wheaton

DIRECTORS ABSENT:

Orange Cove Irrigation District	-	H.A. "Gus" Collin III
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ADVISORY COMMITTEE MEMBERS PRESENT:

Chowchilla Water District	-	Douglas Welch
Delano-Earlimart Irrigation District -		Dale Brogan
Lindmore Irrigation District	-	Robert Baranek
Lindsay-Strathmore Irrigation District	-	Scott A. Edwards
Orange Cove Irrigation District	-	James C. Chandler
Southern San Joaquin M.U.D.	-	Stanley Nelson
Terra Bella Irrigation District	-	John E. Boudreau Project Manager

ADVISORY COMMITTEE MEMBERS ABSENT:

Madera Irrigation District	-	Robert L. Stanfield
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APPROVAL OF MINUTES

M/S/C. Wheaton, Clement to approve the minutes of the February 27, 1996 meeting as mailed.

AUTHORIZATION TO PAY BILLS

M/S/C. Clement, Tarabini to authorize the Treasurer to pay all outstanding bills against the Authority.

REPORT ON ADVISORY COMMITTEE MEETING WITH IDA-WEST.

Manager Boudreau then reported on the Advisory Committee's meeting with Kip Runyan from Ida-West. Manager Boudreau expressed Mr. Runyan's emphasis of wanting to develop a positive working relations with Friant Power Authority. As such, Ida-West offered to negotiate with FPA a buy-out arrangement and sharing of additional revenues if additional revenues could be generated through management by FPA.

Mr. Runyan offered to the Advisory Committee on March 8, 1996, that he was authorized to offer FPA a buy-out at \$27 million over a 30 year period at an interest rate of 9.5 percent. Furthermore, he could offer date certain capped principle against the plant. Mr. Runyan further emphasized that if these terms were not acceptable to FPA that Ida-West wants to meet with FPA for further discussions in an effort to build a positive working relations between the entities.

After further discussion, the Board agreed that an effort should be put forth by both entities to reach common ground. As such, the Board authorized the following to serve on a negotiating committee:

Directors:

Quinten Luallen
Loren Wheaton
Gus Collin

Advisory Committee:

John Boudreau
Dale Brogan
Bob Baranek
Jim Chandler

M/S/C - Clement, Canata to confirm committee.

The Board further directed Manager Boudreau to notify Ida-West of the Board's decision and schedule a negotiating session with them.

REPORT ON GENERATION AND ATTEMPT TO INCREASE GENERATION

Manager Boudreau then reported on the plant generation and other efforts that may be made such as releasing greater flow during peak power rates to generate more revenue.

NOTICE OF JPIA BOARD MEETING

Manager Boudreau reminded Directors of the JPIA Board meeting to be held Tuesday, May 7th at Monterey and referenced the notice included with the Board packet.

SMITH-BARD PUBLIC TRUST COMPLAINT

Manager Boudreau referenced a letter from Attorney Gary Sawyers regarding the complaint to alert Directors that this is an issue the Authority needs to be watched closely.

OTHER MATTERS NEEDING BOARD ATTENTION

Manager Boudreau reported that Secretary Kerwood was attending a two-day management workshop and asked if the Authority would participate in the expense. The Board agreed to participate on a 50-50 basis. Manager Boudreau also reported on the automation study being done by Henwood Energy Service, Inc.

Reports were then given on the **Revenue Fund, Bond Status, Income Statement and Budget Projection.**

With no further business to discuss, the Board meeting was adjourned at 11:25 A.M..

Respectfully Submitted,

James C. Chandler, Assistance

Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 10, 1996.

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer

Others: Dave Houston, Smith Barney
Doug Brown, Brown & Wood
Joe Mastro, Baker, Peterson & Franklin

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Brown offered a motion to approve the minutes as mailed. The motion was seconded by Director Bailey and unanimously approved by the Board.

Accounting Manger Robert Ramirez reported on the financial activities of the District including the status of the audit. Operations Engineer Manager Geivet then reported on construction activities, schedules and activities for water deliveries. Others related on-going activities were also discussed.

Under Public Input, Messrs. Roger Norton, Robert Bizzell and Ron Lopoplo appeared before the board to discuss various issues. Mr. Norton was very displeased that the new distribution pipeline was located on his property and various other issues some of which predated this meeting by 15 years. After discussion, the Board directed staff to take-care of the issues that could be resolved and to continue to work toward resolution on the others.

Mr. Bizzell (accompanied by Mr. Lopopolo) was unhappy about his driveway as left by the District after construction. His greatest concern was the dust coming from the placement of new decomposed granite (DG) on his driveway. Mr. Lopopolo attested to the placement of a seal coat previous to the District's construction. After discussion, the Board directed staff to investigate the cost to seal the DG and report back to the Board at the May meeting.

Under refunding of the District's COPs. Messrs. Dave Houston and Doug Brown appeared before the Board for discussion on the scope and legal issues for the refunding. After discussion, the Board established a threshold of \$600,000 savings to the District to initiate the refunding issue. The Board also approved the Installment Purchase Agreement and certain other documents to authorized the sale and delivery of the refunding revenue, as per the minutes of the Orange Cove Irrigation District Financial Corporation dated April 10, 1996.

A discussion was then held in consideration of paying the District 1995 CVP O & M deficit. After discussion, the Board elected not to pay at this time.

A written investment policy for the District was then discussed. After discussion, Director Bailey offered a motion to approve the policy. The motion was seconded by Director Brown an unanimously approved by the Board. Resolution No. 2-96.

A report was then given on activities of the Friant Power Authority. Ida-West, a subsidiary of Idaho Power had recently purchased the bonds from Resolution Credit. Ida-West also indicated its interest in having a positive working relationship with FPA and offered to negotiate a sale to FPA. FPA has agreed to pursue the negotiations although they are not highly optimistic that a reasonable purchase price could be obtained.

Reports were then given on the Barker vs. OCID and Martinez vs. OCVID cases.

With no further business to discuss, the meeting was adjourned at 3:04 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 10, 1996.

The Meeting was called to order at 11:37 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Others: Dave Houston, Smith Barney
Doug Brown, Brown & Wood
Joe Mastro, Baker, Peterson & Franklin

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Brown offered a motion to approved the minutes as mailed. The motion was seconded by Director Bailey and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$173,629.41. After discussion, Director Brown offered a motion to approved the bills. The motion was seconded by Director Bailey and unanimously approved by the Board.

Accounting Manager Robert Ramirez reported on the financial activities of the District including status of the audit. Operations Engineer Manager Geivet then reported on construction activities, schedules and activities for water deliveries and other related on-going activities was also discussed.

Under Public Input, Mr. Roger Norton, Mr. Robert Bizzell and Mr. Ron Lopopolo appeared before the Board to discuss various issues. Mr. Norton was very displeased with the new distribution pipeline on his property and various other issues some of which predated this meeting by 15 years. After discussion, the Board directed staff to take-care of the issues that could be resolved and to continue to work toward resolution on the others.

Mr. Bizzell (accompanied by Mr. Lopopolo) was unhappy about his driveway as left by the District after construction. His greatest concern was the dust coming from the placement of new decomposed granite (DG) on his driveway. Mr. Lopopolo attested to the placement of a seal coat previous to the District's construction. After discussion, the Board directed staff to investigate the cost to seal the DG and report back to the Board at the May meeting.

Under refunding of the District's COPs. Messrs. Dave Houston and Doug Brown appeared before the Board for discussion on the scope and legal issues for the refunding. After discussion, the Board established a threshold of \$600,000 savings to the District to initiate the refunding issue. The Board also approved the Installment Purchase Agreement and certain other documents to authorized the sale and delivery of the refunding revenue, as per the minutes of the Orange Cove Irrigation District Financial Corporation dated April 10, 1996.

A discussion was then held in consideration of paying the District 1995 CVP O & M deficit. After discussion, the Board elected not to pay at this time.

A written investment policy for the District was then discussed. After discussion, Director Bailey offered a motion to approve the policy. The motion was seconded by Director Brown and unanimously approved by the Board. Resolution No.

A report was then given on activities of the Friant Power Authority. Ida-West, a subsidiary of Idaho Power had recently purchased the bonds from Resolution Credit. Ida-West also indicated its interest in having a positive working relationship with FPA and offered to negotiate a sale to FPA. FPA has agreed to pursue the negotiations although they are not highly optimistic that a reasonable purchase price could be obtained.

Reports were then given on the Barker vs. OCID and Martinez vs. OCID cases.

With no further business to discuss, the meeting was adjourned at 3:04 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, May 15, 1996.

The Meeting was called to order at 11:38 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Orlopp offered a motion to approved the minutes as mailed. The motion was seconded by Director Collin and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$721,833.25. After discussion, Director Collin offered a motion to approved the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Accounting Manager Robert Ramirez reported on the financial activities of the District including status of the audit. Operations Engineer Manager Geivet then reported on construction activities, schedules and activities for water deliveries and other related on-going activities was also discussed.

A discussion was then held regarding staff findings for treating Mr. Bizzell's driveway. After discussion, Director Brown offered a motion to treat Mr. Bizzell's driveway at a cost not to exceed \$646.50. The motion was seconded by Director Bailey and unanimously approved by the Board.

The Board was then asked to confirm Director Collin as the ACWA-USA Commissioner or elect the Commissioner of their desire since Director Collin had been submitted to the organization by Manager Chandler in the absence of formal Board action. Director Orlopp offered a motion to appoint Director Collin as the Commissioner. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding joining the membership of the Agricultural Energy Conservation Association. After discussion, the Board elected to not participate in the membership of the organization.

A discussion was then held about joining an Internet service for E-Mail and access to information beneficial to the District via the electronic media. The cost for unlimited access is about \$20.00 per month. After discussion, the Board authorized staff to enter the services on a trial bases and report back to the Board the benefits derived.

A discussion was then held on the draft Employee Handbook. Comments received from Valley Employers Association were discussed. After discussion, the Board directed Manager Chandler to proceed with the Meet & Confer meeting with the employees.

Manager Chandler then reported on the Settlement Conference held in regards to the Martinez vs. OCID case. Martinez has elected to pull the case from trial but since there was no agreement reached in the Settlement Conference, the Judge order the case to arbitration.

With no further business to discuss, the meeting was adjourned at 3:54 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, June 7, 1996.

The Meeting was called to order at 8:12 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Engineer-Manager Chandler explained that the purpose of the meeting was for Orange Cove Irrigation District to define its goals and objectives relative to its membership in the Friant Power Authority. Additional background information was provided relative to the discussion such as IDA-West purchase of the bonds and their offer to negotiate a better position for FPA over the current bond indebtedness. As such, FPA as a whole and its members district individually needed to define or redefine their goals and objectives in order to give direction to the FPA negotiating team.

The Board then discussed potential alternatives which ranged from doing nothing to entering into a partnership with Ida-West and potential project enhancement. After discussion, the Board defined its objectives and set the priorities as follows:

1. Form a partnership with Ida-West (50-50) with debt to FPA forgiven.
2. Sell project now and distribute cash to member districts.
3. Buy project from Ida-West not to exceed \$18 million.
4. Accept Ida-West offer to purchase at \$27 million with date certain principle caps.
5. Walk from project now.

With no further business to discuss, the meeting was adjourned at 10:18 A.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

3

February 14, 1996

**Mr. Keith Dodson
Pacific Gas & Electric Company
152 N. "K" Street
Dinuba, CA 93618**

Dear Mr. Dodson:

Please find enclosed the layout plans for Booster Station #8B, located 1035 feet north and 5035 feet east of the Avenue 450 and Road 143 (Filer Road) intersection. This is a new account and we have included our lay-out plans with the connected load and an estimate of the operational time.

If you need more information or have any questions, please contact Brett Gray or myself at the District office, (209) 626-4461.

Very truly yours,

**Sean Geivet
Project Engineer**

SG: lc

enc.

**cc: Jim Chandler, Engineer-Manager
Randy Walker, P.G.& E.**

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation held on Wednesday, June 12, 1996. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Orlopp offered a motion to approved the minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$442,589.77. After discussion, Director Orlopp offered a motion to approved the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Accounting Manager Robert Ramirez reported on the financial activities of the District including goals and objectives of the Accounting Department following the audit. Operations Engineer Manager Geivet then reported on construction activities, including his evaluation of sick leave used for the temporary employees. After discussion, Director Collin offered a motion to change the sick leave policy for the temporary employees to pay for sick leave absence only after a two day absence and with a doctor's written excuse and pay one-half of the unused sick leave upon completion of the Rehabilitation Project. The motion was seconded by Director Brown and unanimously approved by the Board.

Mr. Joe Mastro, Baker, Peterson and Franklin, appeared before the Board to review the 1995 audit report. Mr. Mastro reviewed the various tables and notes that reflected the financial standing of the District and changes from the previous year. Mr. Mastro also discussed the changes that would be made in the auditing process to reflect issues important to the COP's (financing of the Rehab. Program). In conclusion, Mr. Mastro reported that there were no significant discrepancies found by the audit.

Employees Salaries and Benefits were then discussed. A packet made up from the ACWA and Valley Employers Association served as the basis for discussion. Due to the volume of information, the Board elected to concentrate on the salary review for this meeting and carryover the benefits discussion for a later meeting. After discussion, Director Collin offered a motion to adjust the monthly salaries as follows:

<u>Position</u>	<u>From</u>	<u>To</u>
Watertenders	\$2255	\$2315
Operations Engineer Manager	4300	4420
Accounting Manager	3500	3900
Construction Foreman/Eng. Tech.	3056	No Change
Engineer	2867	3010
Field Ops. Staff	2800	2950
Administrative Secretary	2220	2280
Accounting Clerk	1500	1545

The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding updating the District's Business Plan. Staff recommended that the schedule be adjusted to accomplished the goals and objectives without adding new objectives to the plan. The Board concurred with the recommendation in recognition of the high priority that current jobs had and the reorganization of the District staff in 1995.

Under Utility Reports, Director Collin reported on the ACWA-USA Board Meeting and activities underway by Friant Power Authority in an effort to negotiate a better position regarding project debt with IDA-West, the current holder of the bonds. Director Orlopp then reported on the Southern San Joaquin Valley Power Authority and their consideration to turn the project over to Pacific Gas and Electric. The project is not meeting debt service and one option that exist in the agreement with P.G. & E. is to turn the project over to the utility with no future obligation to the Authority or the member Districts. Other related activities were reported on.

Under Tailwater, Mr. Jim Marderosian appeared before the Board to discuss a problem of tailwater accumulation on his property adjacent to the Alta Canal. Mr. Marderosian displayed pictures showing water ponding adjacent to his property and stated that he had lived with the problem while he had a furrow irrigation system because he could pump the water onto his land for use. He further stated that he had now converted to a low-volume system and could not use the water. Therefore, the water entering his property now was creating a nuisance. After discussion, the Board directed management to issue a letter to the adjacent landowners that might be contributing to the problem requesting voluntary compliance with the District's Rules and Regulations.

The Employee Handbook was then discussed. Issues were reviewed from the Meet and Confer Meeting with the employees and Counsel's recommendation regarding payment of unused sick leave. After discussion, Director Bailey offered a motion to approve the Handbook with changes to permit carryover of 30 days (240 hours) of vacation time and payment of one-half of the unused sick leave to a maximum of 500 hours upon termination of employment, non employee caused, after ten (10) years of continuous duty. The motion was seconded by Director Collin and unanimously approved by the Board.

With no further business to discuss, the Board meeting was adjourned at 4:22 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, July 10, 1996. The Meeting was called to order at 11:32 A.M., with the following Directors and Officers present:

Directors: James O. Orlopp, Vice-President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Absent: Richard D. McFarlin, President

Vice-President Orlopp chaired the meeting. Chairman Orlopp asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

Chairman Orlopp then asked if there were any errors or omissions to the minutes to June 7th (Special Meeting) and June 12th (Regular Meeting). Two corrections were noted to the June 12th Meeting. Director Collin offered a motion to approve the minutes with corrections made. The motion was seconded by Director Bailey and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$626,296.83. After discussion, Director Collin offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Accounting Manager Ramirez reported on the financial activities including reconciliation of inventory and interest earned on the acquisition fund for the Rehab. program. Operations Engineer-Manager Geivet reported on construction and operations activities. Other reports were given included CVPWA, DRC, FFA, SB-900 and Counsel Meith letter regarding the "Right to Vote on Taxes" initiative for the November ballot.

A discussion was then held regarding the Employee Benefits. A comparative analysis was made with the Association of California Water Agencies (ACWA) and Valley Employers Association (VEA). After discussion, Management was directed to do a cost/benefit review, a historical cost trend review and an alternative analysis for continued discussion with the Board at a later date.

Reports were then given on utility activities. First, the Southern San Joaquin Valley Power Authority Board had voted to turn the project over to P.G. & E. As such, certain surplus funds were distributed to member Districts. OCID's share (1.25%) was \$2,800.00. Studies conducted on the project showed that at least for the near future, revenue would not pay debt service.

A status report was then given on Friant Power Authorities effort to negotiate a better position with IDA-West, Inc., the current holder of the Bond. Also, discussed was Smith Barney's

assignment to study alternatives and make recommendations to the authority to facilitate the negotiating process.

A report was then given on the Eastside Power Authority(ESPA) and whether an effort should be made by OCID to join the Authority. Since ESPA was working with P.G. & E. to bypass SCE, an effort by OCID (a P.G. & E. customer) might upset relations between ESPA and P.G. & E. OCID will continue to watch and evaluate ESPA's activities.

The Fishwater Hydro relative to utility deregulation is a continued watch. There are several issues that have to be resolved with CPUC before the District can determine its best long-term benefit from this project.

A report was then given on various activities of the Friant Water Users Authority. More particularly, to develop an MOU with Castle and Cook regarding water use for proposed land development along Highway 41 in Madera County. The land hold a Settlement Agreement with USBR from when the Friant Unit of the CVP was built. There are hopes that the MOU will become the norm for future development in that area. Also discussed was the Authority's effort to get surcharge money from Friant allocated to purchase land for the San Joaquin River Parkway.

A discussion was then held regarding a proposed language change in Section 5000 of the District's Employee Handbook. The language was to clarify how an employee would be compensated if required to work on a holiday. A Meet and Confer meeting had been held with the employees regarding the proposed change and there were no comments received relative to this matter. After discussion, Director Brown offered a motion to approve the change. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding a verbal request to detach land from the District. The situation was explained to the Board as well as the owner's intent to formalize the request in writing. After discussion, the matter was tabled until a written request was received.

With no further business to discuss, the meeting was adjourned at 3:53 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 14, 1996. The Meeting was called to order at 11:34 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

President McFarlin asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Director Collin noted a spelling error. Director Brown offered a motion to approve the minutes with the correction made. The motion was seconded by Director Collin and unanimously approved by the Board.

Manager Chandler and Treasurer Stringer reported on the bills totaling \$1,273,669.62. After discussion, Director Collin offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Public Input, Mr. Anthony Lopez, City Administrator for the City of Orange Cove, appeared before the Board to request the Board's consideration to sell surplus water to the City. Several questions were asked of Mr. Lopez to assure he was talking about surplus water to OCID needs in any one year. Also, Mr. Lopez was asked to verify with the U.S. Bureau of Reclamation that they have no problem transferring between Ag and M & I user and the price for the water if transferred from Ag to M & I. Mr. Lopez had referred to the water as cheaper than their current contract which implied his thoughts of being able to use the water at the Ag rates. The Board agreed to consider this matter under the understanding that it would be a voluntary transfer (sale) of water surplus to OCID's needs in any given year.

Accounting Manager Ramirez reported on the financial activities including sick leave, vacation time and incentive pay standings for construction. Operations Engineer-Manager Geivet reported on construction and operations activities. Other reports were given regarding on-going activities.

A status report was then given on the COP refunding. A sudden change in the market put a high priority on completing the Preliminary Official Statement. Smith-Barneys' projection was that we would see the rate for the targeted savings within the month.

A discussion was then held regarding Friant Power Authority negotiations with Ida-West. The negotiations were held August 12th where the Negotiating Committee (FPA) met with Kip Runyan, (Ida West) in Fresno. After several attempts to reach a position acceptable to both parties, Mr. Runyan agreed to perform further analysis on what FPA presented as its bottom-line offer. The offer was that Ida West would get the first \$14 million revenue from the plant and one-half interest in the Plant in exchange for the bonds.

A discussion was then held regarding memberships participation in the Central Valley Project Water Association and the level of participation. After discussion, Director Bailey offered a motion to participate in the Project Operations (general membership) portion at this time. The motion was seconded by Director Orlopp and unanimously approved by the Board. Orange Cove Irrigation District dues for this activity is \$1,508.00

the 1997 Draft Budget was then discussed. A detail review was made of all items and the basis for the amounts established including the covenant which is required by the COP funding. Also discussed was the intent to move the Assessment amount to the Standby charge as recommended by Counsel Meith. This would eliminate one billing by the District.

Under the Walters' Property, Mr. John Walters appeared before the Board to express his concerns over his inability to make the Standby payments on his land for the Rehabilitation Project. Mr. Walters owns about 120 acres that is cropped only to oat hay. After discussion, the Board expressed their concerns but noted their inability to make exceptions for his land.

A status report was then given on the Barker vs. OCID and the Martinez vs. OCID cases. No closed session was called.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 28, 1996.

The Meeting was called to order at 10:08 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
David A. Brown
Harvey A. Bailey

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer
Robert Ramirez, Accounting Manager

Engineer-Manager Chandler explained that the purpose of the meeting was for the Board of Directors to review the draft 1997 budget and provide staff with additional direction to complete the budget for the September Board meeting. Of particular concern is the fact that the budget needed to contain sufficient revenue for compliance with the COP indenture and the cost that issue placed on the land. Also discussed was the distribution of water cost to the full contract supply and the risk that put on the District in water short years or years that the full supply was not sold or transferred.

After considerable discussion, the Board directed staff to run other alternatives to the current draft budget in attempt to levelize the annual standby charges. Director Collin then offered a motion to adjourn the meeting to 10:00AM September 5, 1996. The motion was seconded by Director Brown and unanimously approved by the Board.

September 5, 1996, the meeting reconvened at 1:38 PM. Treasurer Stringer was absent. The revised draft budget and the five year projection thereof was reviewed with the Board. However, just prior to the Board meeting, Bond Counsel called staff's attention to items in the budget that they felt were inconsistent with the published Preliminary Official Statement. This left too many issues unresolved for the Board to make a reasonable judgment as to the sufficiency of the draft budget, therefore, Chairman McFarlin ordered the meeting adjourned to 1:30 PM September 10, 1996.

September 10, 1996, the meeting reconvened at 1:32 PM with Treasurer Stringer present. The draft budget was again reviewed wherein the latest changes were explained. As before, the Board is concerned about the level the Standby charge has to be set for compliance with the COP contract. In addition, 1997 and 2001 had significantly higher actual cost to the land than the other years in the budget projection. The Board then directed staff to do an analysis where the surplus revenue from Friant Fishwater Release Hydro Plant would be used in 1997 to offset cost to the land and, thereafter, placed in a sinking fund for credit to the land in year 2001 and beyond for final consideration at the Regular Board Meeting.

With no further business to discuss, the meeting was adjourned at 3:40 PM

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 11, 1996. The Meeting was called to order at 1:35 P.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Harvey A. Bailey
David A. Brown

Officers: Robert T. Ramirez
Assistant Secretary

Absent: Henry A. Collin

The Standby Rate was discussed along with the draft budget which supported the rate calculation for compliance with the COP contract. After discussion, Director Bailey offered a motion to set the Standby Rate at \$86.00. The motion was seconded by Director Orlopp. The motion carried on a yes vote by Directors Bailey, Orlopp and McFarlin. Director Brown voted against the motion.

The Regular Meeting of the Board was recessed at 2:30 P.M. and the Board convened as the Board of Equalization. In that no person or persons appeared before the Board, the Board of Equalization was adjourned at 2:35 P.M.

The Regular Meeting of the Board was then reconvened. President McFarlin then ordered the regular meeting of the Board adjourned to 11:30 A.M., September 17, 1996 to include the presents of Director Collin and Manager Chandler for the remaining discussion.

The Regular Meeting of the Board of Directors reconvened at 11:35 A.M., September 17, 1996 with following the Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Others: Robert T. Ramirez
Accounting Manager

President McFarlin asked if there were any errors or omissions to the minutes. Hearing none, Director Brown offered a motion to approved the Regular Meeting minutes of August 14, 1996 and the Special Meeting minutes of August 28, 1996. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The bills were then discussed. After discussion, Director Bailey offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Reports, Staff and Directors reported on various on-going activities.

The 1997 Budget was then discussed. After discussion, Director Bailey offered a motion to approve the budget. The motion was seconded by Director Brown and unanimously approved by the Board.

The COP refunding was then discussed. Mr. David Houston, from Smith Barney appeared before the Board to report on the refunding closure and how the certificates were placed. Mr. Houston also reported on where the market has gone since the narrow window that provided for our refunding at the level target by the District.

A discussion was then held regarding the District's current policy for attending meetings, conferences and related travel. Several questions were raised about various modes of travel and/or lodging depending on the distance of travel. The Board directed Manager Chandler to look into the various issues and report back to the board at its regular meeting in October.

A discussion was then held regarding the charges proposed for the O&M charges on the Friant-Kern Canal and the methodology involved. Also discussed was the intend to have payments made directly to the Friant Water Users Authority provided an agreement could be reached between USBR and the CVP O&M contractor by October 1, 1996.

A discussion was then held regarding the draft FWUA budget. The budget was considerably less than the previous year budget which was pleasing to the District Board. There was no additional guidance issued to Director Bailey as OCID's Director to the FWUA Board.

With no further business to discuss, the meeting was adjourned at 2:56 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 9, 1996. The Meeting was called to order at 11:33 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
Henry A. Collin, III
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Absent: James O. Orlopp, Vice President

Others: Robert Ramirez
Accounting Manager
Sean Geivet
Operations Engineer-Manager

President McFarlin asked if there were any changes to the agenda. Manager Chandler informed the Board that there were two items that needed to be heard at this meeting. Those two items were in regards to the Upper San Joaquin River Water Power Authority dues and the Walters property request for detachment. Director Brown offered a motion to add the items to the agenda. The motion was seconded by Director Bailey and unanimously approved by the Board.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Bailey offered a motion to approve the minutes. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Stringer reported on the bills totaling \$401,668.74. After discussion, Director Brown offered a motion to approve the bills. The motion was seconded by Director Collin and unanimously approved by the Board.

Under the Monthly Report, Manager Chandler and Accounting Manager Ramirez reported on the reconciliation of the Rehabilitation Funds and the Fishwater Hydro cost. Operations Engineer-Manager Geivet reported on construction activities and operations programs. Other reports were given relative to water use, carryover water projections, FWUA takeover of O & M including direct payment from Districts and LAFCO action by the City of Orange Cove.

A discussion was then held regarding the District's Policy for travel and attendance at meetings and conferences. After discussion, the Board directed Manager Chandler to draft new language pertaining to travel by privately owned vehicle to include an actual cost option for further discussion at the next regular Board meeting.

A discussion was then held regarding System 5B design and what to do for work needed on Systems 3A and 1North which were not improved under the Rehab program but need certain work to comply with current District standards. The System 5B design recommended a polyethylene pipe material as the most feasible cost which provided the opportunity to go to a pressurized system at a later date if the District so desired. The design was acceptable to the Board provided the material would be warranted for a minimum of one year as most pipeline material are. The Board directed Manager Chandler to hold a landowner meeting on the other two systems to see what would be acceptable to them since they would be reimbursing the District on a one-time basis for those cost.

A discussion was then held regarding the Rehab Completion Ceremony. The Board supported the idea of renting a hall and holding a dinner ceremony where landowners would be invited to participate.

A discussion was then held in consideration of recognizing the Watertenders for their service with the District since they would be terminated near the year end with completion of the Rehabilitation Program. After discussion, Director Bailey offered a motion to recognize the individuals with a cash award equivalent to one month's salary to be given at the Rehabilitation Completion Ceremony. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding the FWUA call for funds and the projected annual dues for OCID. After discussion, Director Brown offered a motion to approve the call for funds and the annual funding for the Authority. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding the Water Education Foundation's request for a financial contribution to participate in the California Water History Project. After discussion, the Board elected to not to participate due to the District's tight budget.

A report was then given on the District's underground tank site. The case was finally closed after being open for over ten years. Monitoring was done for the first five years which showed no signs of movement of the small quantity of fuel leaked from the underground tank. Manager Chandler has requested the Regional Water Quality Control Board to close this case after the five monitoring period. The case was finally closed with notice sent to the District dated September 17, 1996.

A discussion was then held regarding the Martinez vs OCID litigation. Reports were given on the Arbitrator's ruling and JPIA's transfer of Counsel.

A discussion was then held regarding the request by John Walters to detach 120 acres from the District. After discussion, the Board directed Manger Chandler to research District policy applicable to land detachment and to continue to work with Mr. Walters regarding potential options to the detachment.

A discussion was then held regarding the District's continued participation in the Upper San Joaquin River Water and Power Authority. After discussion, Director Bailey offered a motion to continue the District's participation via payment of the \$100 dues. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 3:20 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 13, 1996. The Meeting was called to order at 11:35 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

Others: Robert Ramirez
Accounting Manager
Sean Geivet
Operations Engineer-Manager

President McFarlin asked if there were any changes to the agenda. Hearing none, the agenda was ordered approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Brown offered a motion to approve the minutes. The motion was seconded by Director Bailey and unanimously approved by the Board.

Treasurer Stringer reported on the bills totaling \$426,581.65. After discussion, Director Collin offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Report, Accounting Manger Ramirez reported on the financial activities. Operations Engineer-Manager Geivet reported on the Construction and Operation matters. Various other reports were given relative to on going District activities.

A discussion was then held regarding an opportunity for the District to do a contract investment for the COP Reserve Fund. Ms. Janice Salvato, Fund Services Associates, Inc., appeared before the Board to explain how the contract investment would work and the services provided by her firm. After discussion, Director Bailey offered a motion to accept Ms. Salvato's proposal subject to General and Bond Counsel review. The motion was seconded by Director Collin and unanimously approved by the Board.

A discussion was then held regarding billing for Rehab Standby charges in proportion to the District COP payment. This would involve collecting the full amount for the principal payment along with the first interest payment. This would put about 68 percent of the annual payment due by December 20th each year. After discussion, the Board elected to bill for the annual COP payment into two equal Standby payments.

A discussion was then held regarding a proposed amendment to the District's policy regarding compensation for travel and attendance at meetings and conferences. The proposed amendment would permit compensation for private modes of travel by means other than the mileage rate compensation. After discussion, Director Collin offered a motion to approve the amendment. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding the District's participation in the Agricultural Energy Consumers Association (AECA). The District gained major energy cost savings through the efforts of AECA with the recent passing of AB1890 which exempted the District from Competitive Transition Charges involving California's utility deregulation. After discussion, Director Orlopp offered a motion to join the membership of AECA with funds raised, or saved, by the District's power user. The motion was seconded by Director Collin and unanimously approved by the Board.

Under the Friant Fishwater Release Hydro, reports were given on production, the application to license the existing 35 cfs water rights permit and the application for a secondary water right to use additional water under certain conditions when extra water is released to the River. Also discussed was an analysis that evaluated the opportunities to produce more energy from the plant and the action taken to pursue those opportunities.

A discussion was then held regarding the preliminary plan for the completion ceremony for the Rehab project.

Under Property Detachment from OCID, a report was given regarding discussions with Mr. John Walters pertaining to his request to detach property from the District. Mr. Walters was continuing to evaluate his position but agreed in concept that it would be a mistake to take the property out of the District. Manager Chandler further reported on discussion with another individual that was looking to purchase the property or the rights to the water for the property. Manager Chandler also reported that no District policy relating to land detachment from the District was found.

A discussion was then held regarding the California Water Awareness Campaign's request for financial support of their effort. After discussion, the Board Elected to not participate.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, December 11, 1996. The Meeting was called to order at 11:43 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O. Orlopp, Vice President
Henry A. Collin, III
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary

Others: Robert Ramirez
Accounting Manager
Sean Geivet
Operations Engineer-Manager

President McFarlin asked if there were any changes to the agenda. Hearing none, the agenda was ordered approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Hearing none, Director Brown offered a motion to approve the minutes. The motion was seconded by Director Bailey and unanimously approved by the Board.

Accounting Manager Ramirez reported on the bills totaling \$603,864.00. After discussion, Director Orlopp offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Report, Accounting Manager Ramirez reported on the financial activities. Operations Engineer-Manager Geivet reported on the Construction and Operation matters. A discussion was then held regarding the District's 5,324 acre feet of unused water. Arvin-Edison Water Storage District was looking for 10,000 acre feet of Class II water to purchase. Coupled with the fact that Millerton Lake was now encroaching on flood reserve capacity, should the District sell part of the unused supply at Class II rates if it cannot be sold at Class I rates in order to minimize risk of total loss (loss of Class I water does not occur until March 1st when the new Water Year commences). An attempt had been made to determine if a market exist for Class I water with Arvin-Edison or others. It was determine that Arvin-Edison was the only District purchasing outside supplies at this time. Therefore, an inquiry was made of the Board regarding how much, if any, to sell at Class I or Class II prices if a market exist. The Board suggested selling 3000 acre feet at Class I price and only 2500 acre feet if Class II was the only market for the water.

A discussion was then held on establishing guidelines on how to price water to minimize District's financial risk should some water be lost in wet years. An analysis using 1996 water rates was reviewed wherein the full cost of water was put on various amounts of the supply from

85 to 100 percent. Engineer-Manager Chandler recommended that the Board take under consideration of placing the full cost on 90 percent of the supply wherein a final decision will be needed at the next Board meeting when the District water rates are established.

Various Director reports were then given on CVPWA, ACWA-USA, ACWA-JPIA and other meetings from the ACWA convention.

At 2:20 P.M., Eileen Beach appeared before the Board to request water delivery outside the District boundaries. After discussion, the Board denied the request.

A report was then given on the COP Reserve Fund investment. The high bid was for 6.07 percent annual interest rate. This rate is sufficiently over the COP arbitrage rate to permit maximum yield to the District after cost.

A discussion was then held regarding upgrading the 1North System to OCID's new system standards. A landowner meeting had been held wherein it was agreed to use money available from a landowner buy-in to the system to upgrade the low head PVC pipeline. Other issues needed further study to determine how to pursue funding for flow meters and other potential items that may be needed. It was agreed to at the landowner meeting that the home boards needed to support the concept, particularly, the use of the money prior to OCID replacing the low head pipe. After discussion, Director Collin offered a motion to use the funds on hand to replace the low head pipe. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Equipment needs, the Board was informed that this item was on the Agenda for purposes of moving ahead with equipment purchases in 1996 if funds were available to do so. Since the budget review and the equipment needs analysis had not been completed, there would be no discussion at this meeting. A tentative day of December 20th was set in case a special meeting may be needed to discuss potential purchases.

A brief discussion was then held regarding the Rehab Completion Ceremony. It was decided to move the ceremony date from February 21st to March 14, 1997 due to the rain delay for construction.

Under Property Detachment from OCID, Engineer-Manager Chandler reported that the property was being sold and the new owner wanted the property to remain in the District.

Under Personnel, a review of the Manager's performance and salary was made. A review of Board decisions relative to this issue since the start of Rehab was made and a comparative review with the ACWA Salary Survey. At 3:34 P.M., President McFarlin called a closed session for discussion without the Manager present. At 3:55 P.M., the Regular Meeting reconvened. President McFarlin reported that the board elected to increase the Manager's salary by 5 percent and increase the mileage rate allowance to 30 cents per mile for the 2500 mile monthly allowance for use of a private vehicle.

Under the Martinez vs. OCID litigation, it was reported that evidently there has been no change in status since the District had not received any reports from Counsel.

Under Election or Appointment of Officers, Director Collin offered a motion to retain the current officers. The motion was seconded by Director Brown and unanimously approved by the Board.

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

Richard D. McFarlin, President

James C. Chandler, Secretary