

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 8, 1997. The Meeting was called to order at 11:50 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

Changes to the agenda was then discussed. After discussion, Director Orlopp offered a motion to approve the agenda with the addition. The motion was seconded by Director Collin and unanimously approved by the Board.

President McFarlin then asked if there were any errors or omissions to the minutes. Manager Chandler reported a correction made to the mailed minutes. After discussion, Director Collin offered a motion to approve the minutes as corrected. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Stringer reported on the bills totaling \$1,359,731.33. 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 Manager Ramirez reported on financial activities including the budget, power plant revenues and various other activities. Operations Engineer-Manager Geivet reported on the Construction and Operation matters including the construction delays caused by rain. Mr. Geivet also reported on a trench accident and the changes made in the District's safety plan to reduce future risk. Reports were given regarding the San Joaquin River and damages to the fish hatchery and the River Outlet plant (FPA) and the fact that there is no opportunity to market the District's surplus water at this time. Directors reports were also given for activities relating to Friant Power Authority and the CVPWA and other related issues.

Under Operations, a discussion was held regarding water rates, procedure for calculating retail price and District rules and regulations for water deliver. In particular, a discussion was held regarding whether the District should continue to spread the District's cost of water delivered to the users to the full supply or some portion thereof in order to minimize the District monetary risk in any one year. After discussion, Director Brown offered a motion to calculate water rates using 90 percent of the contract supply (39,200 A.F.), when the supply is 90 percent or greater; and, the actual supply when below the 90 percent contract supply level. Furthermore, any surplus funds generated by this procedure are to be credited back to the water user in the following year or as directed by the Board. The motion was seconded by Director Bailey and unanimously approved by the Board. The Board also directed Engineer-Manager to issue the revised Rules and Regulations as per recommended changes.

A discussion was then held regarding adopting policy for collection and acceptance of payments due. The District had encountered several conditions that varied from the norm. Accounting Manager Ramirez discussed several of the issues to get direction from the Board. Mr. Ramirez will now draft policy language for Board review at the regular meeting of the Board in February.

A discussion was then held regarding the District joining the ACWA/JPIA Drug Testing Program. After discussion, the Board requested that legal counsel review this matter prior to Board decision, wherein, the matter would be discussed again at the regular meeting of the Board in February.

A discussion was then held regarding the request for dues by the California Farm Water Coalition. After discussion, Director Collin offered a motion to pay \$1500. The motion was seconded by Director Bailey and unanimously approved by the Board.

A review was then made of payments/reimbursements to Directors, Officers and Employees for the District for 1997.

With no further business to discuss, the meeting was adjourned at 3:02 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

CONSENT TO SPECIAL BOARD MEETING

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a Special Meeting of the Board of Directors of the Orange Cove Irrigation District to be held on Wednesday, February 5, 1997, at the Holiday Inn, Visalia, CA., for the purpose of:

- 1. To discuss with Counsel the recent ruling by Federal Court the invalidation of the District's water supply contract along with 13 other districts.

Dated this 5th of February, 1997.

Director _____

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 10, 1997. The Meeting was called jointly with thirteen (13) other districts to discuss the NRDC vs. Patterson litigation.

The Meeting was called to order at 10:00 A.M., with the following Directors and Officers present from the Orange Cove Irrigation District.

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

Officers: James C. Chandler
Engineer-Manager-Secretary

Roll call for the group was made via a signature register.

A closed session was called to discuss Judge Karlton's ruling in the NRDC vs. Patterson litigation and the course of action to pursue following the ruling.

The meeting was called out of closed session at 11:25 A.M. A discussion then pursued regarding the action to be taken which was to take the matter before the full home boards for final decisions and report to the districts' counsel as soon as possible.

With no further business to discuss, the meeting was adjourned at 11:35 A.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 12, 1997. The Meeting was called to order at 11:45 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
John Woolf, Landowner

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 for the Regular Board Meeting of January 8th and the Special Board Meeting of February 10, 1997. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Treasurer Stringer reported on the bills totaling \$247,220.92. After discussion, Director Brown offered a motion to approve the bills. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under the Monthly Report, Accounting Manger Ramirez reported on various activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of construction with the rain delays and other work that was being done for the operations program. Reports were also given relative to 1996 surplus water and the fact that the cost for such water may be forgiven by the Bureau since the contractors are unable to deliver the water with the Friant-Kern Canal down for repair. Director reports were also given for activities of CVPWA and FPA.

Under the Water Supply Contract, a discussion was held regarding Counsel's report on Judge Karlton's ruling and options for the Board to consider. After discussion, Director Bailey offered a motion to appeal Karlton's ruling and file a motion before Karlton for a Stay Order for the existing contracts.

Accounting Manager Ramirez then reviewed draft guidelines for consideration by the Board for adopting a policy for accepting partial payments and collection of delinquent payments. The Board agreed with the guidelines and asked that the guidelines be drafted into the form of a policy resolution for consideration at the next regular Board meeting.

A discussion was then held regarding the ACWA/JPIA Drug Testing Program. Counsel had reviewed the program for compliance with DOT requirements and the optional Termination or Rehabilitation policy to be adopted by the District. Counsel recommended adopting the Rehabilitation policy. After discussion, Director Orlopp offered a resolution to participate in the ACWA/JPIA program and adopt the Rehabilitation Policy. The motion was seconded by Director Collin and unanimously approved by the Board.

Under ACWA-USA, a discussion was held to consider participation in the natural gas and energy efficiency programs. These items were before District Counsel for review but was not completed prior to the Board meeting. Therefore, this item was tabled for the March Board meeting.

The Rehab Completion Ceremony was then discussed, wherein, guidelines were established for the dinner and other events.

A claim from Fresno County was then discussed. The claim was for a County vehicle accident where the driver claimed the cause to be a District road cut. District employees had investigated the accident site and found the vehicle had left the road prior to crossing the road cut. Furthermore, the road cut had been resurfaced to the County standards. It was staff's recommendation that the claim be denied. After discussion, Director Bailey offered a motion to deny the claim. The motion was seconded by Director Brown and unanimously approved by the Board.

At 2:12 P.M., a closed session was called to discuss the Martinez vs OCID case. Counsel Carl Brown appeared before the Board to review the case and strategy for defense. the meeting returned to regular session at 3:07 P.M. with no decision needed or being made by the Board.

With no further business to discuss, the meeting was adjourned at 3:15 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Consent to Special Board Meeting

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a Special Meeting of the Board of Directors of the Orange Cove Irrigation District to be held in the office of the District on February 26, 1997 at 11:00 A.M. for the purpose of :

1. To discuss the form of recognition for the District employees association with the District's Rehabilitation Program.

Dated this 26th day of February, 1997.

Director _____

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 26, 1997. The Meeting was called to discuss a form of recognition for the construction employees for the Completion Ceremony.

The Meeting was called to order at 11:02 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler
Engineer-Manager-Secretary

Others: Sean P. Geivet
Operations Engineer-Manager
Robert T. Ramirez
Accounting Manager

A discussion was held regarding recognizing the construction employees with a cash award along with a certificate or plaque. The bonus program was reviewed and the reasons why it did not yield a cash bonus at the end of the project.

A summary, which listed five (5) options on an employee basis, was then discussed. The various levels of awards were based on the employee's time and performance on the construction program. The Board then did a verbal review for option 4 with Operations Engineer-Manager Geivet. Based on the review, adjustments made for three individuals as shown by the summary attached hereto. After discussion, Director Brown offered a motion to approve cash awards in accordance with Bonus (option) 4 as modified. The motion was seconded by Director Orlopp and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 11:56 A.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 Monday, March 10, 1997. 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
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
John Woolf, Landowner

President McFarlin asked if there were any changes to the agenda. Engineer-Manager Chandler informed the Board that he had received a letter from a landowner this date regarding a late payment and asked that it be added to the agenda. Director Brown offered a motion to add the item 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 Collin offered a motion to approve the minutes for the Regular Board Meeting of February 12th and the Special Board Meeting of February 26. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Treasurer Stringer reported on the bills totaling \$164,624.53. 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 Report, Accounting Manager Ramirez reported on various activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of construction and various items relating to the operations program. Engineer-Manager Chandler then reported that there would be no USBR charges for surplus 1996 water since the Friant-Kern Canal was out-of-service preventing any water deliveries. Other related reports were also given.

Under Water Supply Contract, a discussion was held on whether to consolidate the appeal of Judge Karlton's ruling under one attorney or to handle with multiple attorneys representing the 14 renewed contract districts. Due to the limited length of briefs and time for oral arguments, the consensus among attorneys and district manager's was that one attorney would be most effective. It was also recommended that Greg Wilkinson, an attorney with Best, Best and Krieger be selected to represent the group. After discussion, Director Collin offered a motion to pursue the appeal with one lead attorney and, to the extent possible, the attorney be Greg Wilkinson. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the same issue, a discussion was held regarding "Take and Pay" and "Take or Pay" contracts and some pros and cons to each.

The matter of Policy for Acceptance of Partial Payments and/or Collection of Delinquent Payments was tabled since the policy resolution had not been completed.

Under ACWA-USA, a discussion was held with reference to Counsel Meith's letter pertaining to this matter. After discussion, it was recommended that no action be taken on this issue at this time.

A discussion was then held regarding the CVPWA dues. Director Bailey reported on the discussion held by the CVPWA Board relative to the dues structure and the final decision by the CVPWA Board. Director Bailey also reported on the value he sees being brought to the CVP contractors through CVPWA. After discussion, Director Bailey offered a motion to pay the dues (\$8,733.00). The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding the Rehab Completion Ceremony. A review of the program was made with outside contributions and cost. Engineer-Manager Chandler recommended that office staff be recognized with a cash award due to the increased work load created by the project and, that Operations Engineer-Manager be recognized for his leadership to the program, wherein, he was not permitted to participate in the bonus program. After discussion, Director Brown offered a motion to recognize Robert Ramirez, Lorraine Celaya and Dalia Cantu at \$250 each and Sean Geivet at \$2000. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding the efforts to get a CIMIS station located in the District. The best sites (2) found to date were both owned by Donna and Susan Hacker. Unfortunately, the Hackers were not willing to participate in the program. The District was continuing to look for a potential site but there would be very limited time to take advantage of the Bureau funding for the program.

A discussion was then held regarding Walter Pinkerton's written request for the District to waive the late purchase penalty for his 1997 water purchase. After discussion, the Board denied the request.

A report was then given regarding the court ruling pertaining to the Martinez vs. OCID case.

With no further business to discuss, the meeting was adjourned at 2:12 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Board Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 9, 1997. The Meeting was called to order at 11:45 A.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: Glenn F. Stringer, Treasurer

Others: Robert T. Ramirez, Accounting Manager
Sean Geivet, Operations Engineer-Manager
John L. Woolf, III, Landowner

Absent: James C. Chandler,
Engineer-Manager-Secretary
Henry A. Collin, III, Director

Vice President Orlopp motioned to appoint Robert Ramirez as Assistant Secretary for this Board Meeting. The motion was seconded by Director Brown and unanimously approved by the Board.

President McFarlin asked if there were any changes to the Agenda. Hearing none, Director Bailey motioned to approve the Agenda. The motion was seconded by Vice President Orlopp and unanimously approved by the Board.

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

Treasurer Stringer reported on the bills totaling \$227,428.07. After Discussion, Director Bailey offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was held regarding Friant Water Users Authority's call for funds. Director Brown offered a motion to pay the \$14,275.62 as requested by FWUA. The motion was seconded by Director Bailey and unanimously approved by the Board.

There was no Public Input.

Under Monthly Reports, Accounting Manager Ramirez reported on various activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of construction and various items relating to the operations program.

A discussion was held regarding the participation in the Project Service Agreement for electric service. A motion to approve the PSA Resolution was offered by Vice President Orlopp. The motion was seconded by Director Brown and unanimously approved by the Board.

Mr. Dean Gillette appeared before the Board to discuss delinquent Rehab payments on property acquired from landowner Pantoja. According to Mr. Gillette, landowner Pantoja did not disclose to him, or Chicago Title Company, that there were delinquent Rehab payments as of the date of ownership transfer. Consequently, the District is currently billing Mr. Gillette for these delinquent charges.

The Board requested that General Counsel be contacted for an opinion. Furthermore, the Board directed staff to allow water delivery on the parcels in dispute, if ordered and paid for, until the District receives a legal opinion.

A discussion was held to support an activity by A-E Board to oppose Arvin-Edison water transfers to MWD. A motion to post \$500.00 seed money to support this activity was offered by Director Bailey. The motion was seconded by Vice President Orlopp and unanimously approved by the Board.

A discussion was held to support the proposed installation of a CIMIS weather station on Alexander Lassotovitch's property.

At 1:35 P.M., President McFarlin called for a closed session to discuss employee matters. The regular meeting reconvened at 1:45 P.M., wherein, President McFarlin announced the action taken to be the authorization of up to \$3000 for recognition of performance by Manager Chandler on a motion by Director Brown, seconded by Director Bailey and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 1:48 P.M.

Richard D. McFarlin, President

Robert T. Ramirez, Assistant Secretary

Agenda Item #8 - ACWA-USA

This item is for Board consideration of participating in the Project Service Agreement (PSA) for electric service. This PSA will be handled differently than the natural gas and electrical efficiency PSA's. This PSA will have a board established for the decision making process. It is expected to be the largest PSA by far since most people that joined ACWA-USA were looking to participate, in one form or another, in the electrical service. When sufficient number of ACWA-USA members sign the resolution to participate, bids can then be taken to see what electrical rates can be achieved. Members of the PSA can then decide whether they want to participate in electrical purchases and to what extent (i.e. District, landowners, agribusiness, residence or others).

Recommendation:

I recommend the approval of the PSA resolution. This is the major issue for which OCID joined ACWA-USA.

Agenda Item #9 - Ownership change Pantoja/Gillette property.

Mr. Gillette is scheduled to appear before the Board on this matter.

Discussion:

Mr. Gillette purchased property from Mr. Pantoja. At closing, the Escrow Agent faxed an inquiry to the District asking for any outstanding assessments. Dalia Cantu responded, in the absence of Lorraine, with the amount of assessments due. By doing so, only the assessment portion was reported which did not include Standby Charges or Water Payment balance. Unfortunately, our computer software does not do a customer report which would give a summary or status of all payments made or due to the District on a customer basis.

In summary, there was an outstanding balance due for Standby Charges on the Pantoja property. District staff responded correctly to the escrow inquiry as written but, unfortunately, did not respond to the other issues that would have completed the customer payment/balance due report. I have corrected the District's weakness by issuing administrative policy/procedure for responding to escrow inquiries.

The question at hand is for the Board to give some direction to staff to deal with the outstanding balance due for Standby Charges. Staff will report the amounts due.

Mr. Gillette will explain his position. I have personally talked to Mr. Pantoja. As I recall his position is that he feels the escrow agent erred and thereby it is up to them through their insurance to cover the amounts due. I'm not sure where the escrow companies or their insurers draw the line for such issues. I'm pretty confident their position for this issue is that they did their job.

As I recall, the last discussion with the District staff was that Mr. Gillette and Mr. Pantoja were going to discuss the matter further to see if they could bring a satisfactory resolution to the matter. Mr. Gillette can report whether anything has happened along these lines.

Alternatives for Board Consideration.

1. Staff erred, do nothing further to collect outstanding balance due.
2. Pursue collection through the escrow company.
3. Pursue collection via property which would be present owner Mr. Gillette.
4. Pursue collection from Mr. Pantoja who was the owner of the property at the time debt was incurred.

Recommendation:

My recommendation is alternative 4. I don't feel the escrow company would consider they erred since they made the inquiry with the District. Although, potentially, there may be an issue on how they make their inquiry, i.e., assessments due vs. any delinquent payments/balance of funds on hand.

My recommendation for alternative 4 is based on the fact that the seller has an obligation for full disclosure. Mr. Pantoja knew the money was due and delinquent but failed to disclose the additional funds over what was reported, and what was due to the District. Also, the impact would be the same. The escrow company paid him money due to the District. For him now to pay the District puts the net from the sale of the property where it should have been at the date of closing.

Mr. Pantoja still farms within the District via the Water Code, as I recall, the District can still collect by putting demands or restrictions on the other properties. I will probably need to review this matter with legal counsel whatever your decision may be.

Agenda Item #10 - Arvin-Edison Water Transfer.

A group of Friant District's are assembling to aggressively oppose the Arvin-Edison water transfer to MWD. The attached requires action immediately, April 11th, on the environmental assessment prepared by the Bureau of Reclamation. To do so, the group would employ the services of Dennis Keller and the Minasian Law Firm (\$5,000 - \$6,000 for the EA portion) to attach the EA Which we all agree is quite deficient.

As we all know, MWD is trying desperately to tap into the CVP. Once the tap is made, a precedence is set and other transfers become much easier. MWD is actively pursuing other districts to do the same as Arvin-Edison. The A-E transfer may have a minimal adverse impact to the Valley, but, the cumulative effect of several districts making transfers would be very significant.

The total amount of work and the cost is unknown at this time. However, the potential adverse impacts could go far beyond the water transferred by A-E. Other districts not served by the San Joaquin River water are now saying that if SJR water can be transferred for use elsewhere, then it could be made available for meeting water quality standard in the Delta. This, of course, gets a lot of support from the environmental groups.

Action to take place immediately:

A letter was to be prepared which would be signed by the presidents of the district Boards that support this activity. The letter will be addressed to the A-E Board which is to request a meeting between the A-E Board and representatives of districts signatory to the letter.

Recommendation:

I strongly recommend that OCID support this activity which will include authorization for President McFarlin to sign the letter, and authorization of an OCID representative to meet with the A-E Board (I recommend Director Bailey since he is the FWUA Director), and, posting seed money in the amount of \$500 at this time to get activities started.

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, May 14, 1997. The Meeting was called to order at 11:44 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
John Woolf, Landowner

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

President McFarlin then asked if there were any errors or omissions to the minutes. Manager Chandler noted that the closed session, including any decisions made, need to be noted in the minutes. Director Brown approved the minutes with the correction to include the closed session. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$950,795.78. 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, Accounting Manager Ramirez reported on various activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of construction and various items relating to the operations program. Other various reports were given related to on-going District activities.

A discussion was then held regarding the NRDC vs Patterson litigation. Via a Summary Judgment hearing, Judge Karlton amended his ruling to grant a stay order on the invalidation of the 14 renewed contracts until March 1, 1998. Judge Karlton also put a provision on his ruling that the contractors seek an expedited appeal. After further discussion, Director Brown offered a motion to inform District Counsel to seek an expedited appeal. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding director election and whether to consolidate with the County General Election. After discussion, Director Bailey offered a motion to consolidate the election. The motion was seconded by Director Brown and unanimously approved by the Board.

Messrs. Kyle Stephenson and Jon Chessum appeared before the Board to report on the 1996 audit. A review was made of the various statements, supporting notes, and covenant calculations. In summary, the audit reflected the District's accounting records to be in order according to generally accepted accounting practices.

The ownership change of property between Pantoja and Gillette and who should be responsible for delinquent charges was discussed. Manager Chandler reported on his discussion with Counsel regarding the matter. Counsel supported the concept of the person or persons incurring the debt be responsible for payment as long as there are means to collect, i.e. still farms within the District; or, apply collection to the property as provided by the Water Code. After discussion, Director Orlopp offered a motion to pursue collection from Pantoja. The motion was seconded by Director Collin and unanimously approved by the Board.

The Arvin-Edison Water Transfer was then discussed regarding whether or not the Friant Water Users Authority should take action to oppose. Everyone agreed the proposed transfer represented a major threat to the Valley's water supply for future years. After discussion, Director Orlopp offered a motion for OCID to support a position with FWUA opposing the transfer. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding a State contract to audit electrical bills. The contractor would earn his pay based on a percentage of money returned to the District and nothing else. After discussion, Director Brown offered a motion to participate in the program. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding utility deregulation. A report was on 1996 cost and rate for electrical power to the District and what it would be with the CTC exemption for 1997 as provided by AB 1890. Manager Chandler also reported on the rates ACWA-USA would have to get for the District to change from PG & E service. It was further discussed as to whether the District should then look to market power to our landowners if we could generate a savings for them. The Board agreed we should be looking at that concept.

A discussion was then held regarding the land the City of Orange Cove purchased for ponding basins and whether the land should be charged the rehabilitation fee, and, if so, does this entitle them to water. Furthermore, if the City is entitled to water, what, if any, impact might this have on the District's water supply contract. After discussion, it was agreed this matter needed discussion with District Counsel.

A discussion was then held regarding the need and the action taken to do arbitrage rebate calculations. The service of Orrick, Herrington and Sutcliff had been obtained to do the calculations as required by current law. O.R. & S. were the lowest of three bidders and was also recommended by First Trust of California, the trustee for the District's COPs.

With no further business to discuss, the meeting was adjourned at 3:50 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, June 11, 1997. The Meeting was called to order at 11:45 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

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

Others: Robert Ramirez
Accounting Manager
Sean Geivet
Operations Engineer-Manager
John Woolf, Landowner

Absent: David A. Brown

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

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

Treasurer Stringer then reported on the bills totaling \$527,494.04. After discussion, Director Collin offered a motion to approve the bills. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under the Monthly Report, Accounting Manager Ramirez reported on various activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of construction and various items relating to the operations program. Manager Chandler reported on the meeting with the Tri-Valley Water District Board regarding the work schedule to upgrade the system. Various other reports were given relating to on-going District activities.

A discussion was then held in consideration of whether to apply for Calfed Funds. These funds were being made available to entities, via an application process, for construction and planning activities for viable ecosystem restoration projects. After discussion, Director Collin offered a motion to pursue funding for enhancement of the District's regulating reservoirs. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held in consideration of adopting policy and procedures for collection of or service to customers with delinquent payments. After discussion, Director Collin offered a resolution establishing policy that forbid service to any parcel of land by a customer unless payments are current on all parcels owned by that customer. The resolution was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding equipment that was surplus to the District's needs following the completion of the District's Rehabilitation Program. A list of equipment was provided for Board review. After discussion, Director Collin offered a resolution declaring the equipment surplus to the District's needs. The resolution was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding the use of privately owned or leased aircraft for commuting on District business. ACWA/JPIA (Joint Powers Insurance Authority) looks to the individuals insurance carrier as primary. The JPIA does provide excess coverage for automobiles but does not for aircraft. There was not enough information available at the meeting to determine the

potential risk to the District. Therefore, staff will continue to evaluate the matter in an effort to determine risk to the District and whether or not a policy needs to be developed. The matter will be brought before the Board at a later date.

FWUA Water Transfer Policy was then discussed. This matter was being driven largely because one entity in the Friant Service Area is preparing to enter into agreement to sell or transfer water to the Metropolitan Water District. This would expand the Friant Service Area and represent a major threat to Friant supplies for future use for agriculture. The Board supported the idea of FWUA developing transfer policy and guidelines, and, pursuing opportunities to optimize the Friant supply for all current users benefit.

Under Personnel, a discussion was held regarding employee performance, salary/benefits and cost-of-living changes for the past year. For a comparative basis, the ACWA Salary Survey was used for Zone 4 which represents the Central Valley area. After discussion, Director Orlopp offered a motion to set the salaries by positions as follows:

<u>Position</u>	<u>Salary/month</u>
Operations Engineer-Manager	\$4530.00
Accounting Manager	\$4300.00
Engineer	\$3300.00
Administration Secretary	\$2500.00
Accounting Clerk	\$1700.00 **
Field Operations Staff	\$3060.00

** Salary set for the position which the difference between current salary and the position salary will be granted over time as the employee develops to the position.

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

A discussion was then held regarding the services the District should provide for its constituents. Of particular interest for some landowners was that the District provide, in some easily accessible form, crop evapotranspiration data to facilitate water scheduling. The Board felt the District should do a survey to better determine the types of services the constituents are most interested in, evaluate costs and then the Board would be better able to set priorities.

With no further business to discuss, the meeting was adjourned at 3:48 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 9, 1997. The Meeting was called to order at 11:30 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. Manager Chandler discussed the need to formalize the District's position on the Arvin-Edison water transfer proposal at the encouragement of other members of the Friant Water Users. If the Board considered this as a highly urgent matter, it could be added to the agenda via a motion. Considering it an urgent matter, Director Orlopp offered a motion to place the item on 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 Orlopp offered a motion approved the minutes as prepared. The motion was seconded by Director Collin and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$577,730.03. After discussion, Director Brown offered a motion to approve the bills. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under the Monthly Report, Accounting Manager Ramirez reported on various activities in the Accounting Department including the budget and expenses year-to-date, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on various activities with the new system operations and water usage. Manager Chandler reported on the utility deregulation, the NRDC vs. Patterson litigation, the agreement pertaining to the water banked with Shafter-Wasco ID and other matters. A discussion was also held regarding opening the District's water supply for the remainder of the irrigation season. After discussion, Director Collin offered a motion to open the supply. The motion was seconded by Director Brown and unanimously approved by the Board. Various other reports were given by Directors and staff relating to on-going District activities.

The Arvin-Edison water transfer was then discussed. It was recommended that the District formalize its position via a resolution pertaining to the transfer proposal. After discussion, Bailey offered a resolution emphasizing support for AEID's need to improve its water utilization program, but, strong opposition to any program that expanding the service area for Friant water usage. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held on whether the District should further its efforts to consolidate payment dates to help eliminate confusion on due dates. After discussion, it was decided to investigate the matter further by talking to other districts and Counsel.

A discussion was then held regarding the efforts to sell the surplus construction equipment. After discussion, The Board elected to sell what they could via sealed bids with the option to

refuse any or all of the bids. The Board then assisted staff in establishing minimum prices for each piece of equipment.

A discussion was then held regarding surplus office equipment. The Board viewed the equipment discussed and directed staff to dispose of the equipment in whatever manner most appropriate.

A report was then given regarding the District's efforts to submit an application for CALFED Restoration Funding. The District was working with both Serge Birk, biologist with CVPWA, and Marcia Wolfe, Biologist with FWUA. Everyone has recognized that it is probably a long shot for the District to get any funding from the program. However, everyone also agrees that it is probably worth the effort since the same data can be used for an application for CVPIA funding.

The annual membership dues for Family Farm Alliance was then discussed. After discussion, Director Collin offered a motion to pay the dues (\$1500). The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding procedures to facilitate OCID record change when property ownership changes took place. Several ideas were presented and it was agreed that District staff would evaluate options and cost and bring the item before the Board at a later date.

A report was then given on the District's efforts to attempt to evaluate potential risk to the District to permit the use of privately owned or leased aircraft for travel to meetings or other business for the District. This matter had been discussed with the Friant Water Users Authority and others. Basically, others have accepted the ACWA/JPIA position "as is" in that they rely on the owner providing liability coverage with no umbrella coverage from JPIA. Staff will continue to evaluate this matter in an effort to determine whether the District should formalize policy regarding the matter.

A discussion was then held regarding whether or not the District should provide services such as backhoe work to the landowners if they requested the service. After discussion, the Board elected not to provide any such service unless it was incidental to a landowner connecting to the District facility while the District is doing work at the site.

With no further business to discuss, the meeting was adjourned at 4:12 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 12, 1997. The Meeting was called to order at 11:30 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
	Brett Gray
	Engineer

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 approved the minutes as prepared. The motion was seconded by Director Bailey and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$418,741.87. 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 various activities in the Accounting Department including the budget and year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Manager Chandler reported on the Westland's III litigation, the Bureau's 1996 O&M accounting, the water right's license for the Fishwater Hydro, the PG&E audit; and, with Director Bailey, reported on the A-E/FWUA negotiations regarding water transfer to Metropolitan Water District and CVPWA Federal Affairs funding. Further discussions were held regarding John Chimienti's air vent location and the two-inch flow meter installed near his residence. After discussion, the Board directed staff to work with Mr. Chimienti to relocate the air vent provided he would pay half the cost to do so. The Board was not interested in changing the flow meter because it meets Districts standards for flow accuracy for flow rates taken by Mr. Chimienti. Various other activities were reported on.

A discussion was then held regarding the dates on which water payments are due and whether either of the two dates should be changed to better align with Standby payment dates. The matter had been discussed with Counsel Meith which he confirmed was fully at the discretion of the Board. After discussion, Director Bailey offered a motion to set the water payment dates on the 20th of February and June rather than the 25th as they are currently set. The motion was seconded by Director Collin and unanimously approved by the Board.

The bids were then reviewed for the surplus construction equipment. After review, Director Brown offered a motion to accepted the bids meeting the minimums set previously by the Board and authorized Manager Chandler to negotiate further on the gate valves. The motion was seconded by Director Bailey and unanimously approved by the Board. The Board further authorized Manager Chandler to sell any additional equipment at or above the minimum bid price or bring to the Board any other offers.

A discussion was then held in consideration of declaring the District's radio system surplus to the District's needs. The base station was no longer functional nor could it be repaired. The

District was currently using cell phones which are serving the District well. After discussion, Director Orlopp offered a motion to surplus the equipment. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding an opportunity to purchase a pre-1914 water right from the Sacramento Valley and how that water right may be used to benefit the District. After discussion, the Board directed Manager Chandler to evaluate the purchase, the opportunities to use the water and to notify the current owner of the District's interest.

A discussion was then held regarding the California Department of Water Resources' (DWR) intent to fund the CIMIS station to be located on the Lassotovitch property. After discussion, Director Collin offered a motion to support the installation of the CIMIS station and grant assurance that any funds received from DWR would be used exclusively for equipment for the station. The motion was seconded by Director Brown and unanimously approved by the Board.

A report was then given on the District's efforts to be better informed when property ownership changes took place in the District. Chairman McFarlin had taken the lead on this matter setting up as meeting with Jim Sebesta who does similar work for Sunkist. Mr. Sebesta provided a demonstration to the District and volunteered to test entries of OCID parcel numbers for running a monthly report for the District. After testing, Mr. Sebesta reported that the effort takes such little time, he would run monthly reports for the District at no cost in support of the Sunkist growers in the District. The District will acknowledge its appreciation to Mr. Sebesta for the courteous cooperation he has provided.

A discussion was then held regarding the use of the District's water distribution system to wheel water for others. After discussion, the Board agreed in concept that cost should be comparable to that of the OCID landowners who are paying for the system upgrade and a delivery fee. The user could either buy in on a per acreage basis paying the rehab cost for the same duration as the OCID landowner or pay an equivalent rate on the per acre foot of water used.

A discussion was then held regarding the payment for District Directors to attend District Board meetings or represent the District at other meetings. After discussion, the Board directed Manager Chandler to determine what other districts are doing to be able to better judge what is reasonable.

An overview of the 1998 Budget was then made. The budget will be discussed in detail during the regular meeting of the Board in September.

With no further business to discuss, the meeting was adjourned at 3:48 P.M.

President

Richard D. McFarlin,

Secretary

James C. Chandler,

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 10, 1997. The Meeting was called to order at 11:36 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
Brett Gray
Engineer

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 approve the minutes as prepared. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$353,672.72. 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 Manager Ramirez reported on various activities in the Accounting Department including the budget and year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on operation activities and the status of as-built drawings and easements. A discussion was also held on whether to market some of the District's excess water during the Fall season rather than waiting until February 1998. After discussion, Director Bailey offered a motion authorizing the sale up to 3000 acre feet of water. The motion was seconded by Director Orlopp and unanimously approved by the Board. Manager Chandler reported on the NRDC vs Patterson litigation and the final out come of the Bureau's 1996 O&M accounting. Director Bailey reported on the A-E/FWUA negotiations regarding water transfer to Metropolitan Water District and CVPWA activities. Director Collin reported on activities of Friant Power Authority.

A discussion was then held regarding the 1998 budget and the Standby charges necessary to support the administrative portion of the budget, which includes the annual payment for the Rehab COPs. Considerable discussion pursued due to the Standby charges necessary for compliance with the COP indenture. The Operations portion of the budget was not an issue other than the fact that water cost are high largely due to CVPIA which is beyond the control of the District. After discussion, Director Collin offered a motion to approve the budget with the understanding that staff is to continue to work with Bond Counsel in an effort to reduce annual Standby rates. The motion was seconded by Director Bailey and passed on a simple majority (Yes by Directors Collin, Bailey & McFarlin; No by Directors Orlopp & Brown). Also discussed were capital expenditure items that were needed and some which would need to be in place rather soon for use in 1998. The equipment included variable speed controllers for pumps in lieu of reservoirs, computer hardware and software to continue the computer upgrade and a new copy machine. These items would be purchased from District's reserves and would not have a direct impact on the 1998 Standby rates. After discussion, Director Brown offered a

motion to approve \$128,000.00 for the purchases. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The Regular Meeting of the Board was recessed at 2:37 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 2:39 P.M.

The Regular Meeting of the Board was then reconvened. A discussion was held regarding procedures for the collection of delinquent charges. After discussion, Director Collin offered a motion to approve the procedure and a resolution to place a lien on the property to secure unpaid charges. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding the District's effort to secure a secondary water right for the Fishwater Hydro plant and the use of Counsel Meith whom also represents Friant Power Authority. FPA intended to place a condition on the water right through the objection process to assure that they have first right of water on the river outlet up to the capacity of the plant. This does not present a problem for the District since it is the intent of the District to use water excess to prior holder's rights. The Board did not feel this issue presented a conflict for Counsel Meith.

A discussion was then held to decide some form of recognition for Jim Sebesta for volunteering his services to report property ownership changes in the District. After discussion, President McFarlin agreed to work on some options and report back to the Board.

A discussion was then held regarding a request from the Ketscher Ranch to be permitted to buy into a system service at a later date by paying all back cost including interest. This is similar to Board policy for land annexation to the District and with the new distribution system in place, adequate capacity is in place to serve additional acreage. After discussion, the Board agreed to the concept.

Mr. John Chimienti appeared before the Board to again discuss changes he wanted in air vent and flow meter located on his property near his residence. The matter was again reviewed with the Board including the Board's decision to relocate the air vent provided Mr. Chimienti would pay one-half of the cost and the fact that this had been agreed to through Mr. Chimienti's Counsel with a cap at \$250 for Mr. Chimienti. Mr. Chimienti was still unhappy with the two-inch flow meter and asked that it be replaced. However, after discussion, Mr. Chimienti agreed to an alteration of the two-inch meter that would place a second valve on the delivery side of the meter that could be regulated from a standing position into a small stand constructed by Mr. Chimienti. Director Orlopp offered a motion to confirm the District's position. The motion was seconded by Director Brown and unanimously approved by the Board.

Additional bid for the used construction equipment was then reviewed. After discussion, Director Brown offered a motion to accept the bids. The motion was seconded by Director Collin and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 4:02 P.M.

McFarlin, President

Richard D.

Secretary

James C. Chandler,

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 8, 1997. 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
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, he ordered the agenda approved as mailed.

President McFarlin then asked if there were any errors or omissions to the minutes. Director Brown noted a word missing in reference to the District's excess water. Director Collin then offered a motion to approve the minutes with the correction. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$393,965.62. After discussion, Director Brown offered a motion to approve the bills. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under the Monthly Report, Accounting Manager Ramirez reported on various activities in the Accounting Department including the budget and year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on operation activities and the status of as-built drawings, easements and purchases of computer hardware. Manager Chandler reported on the NRDC vs Patterson litigation and the 21 day Stay Order issued by Judge Karlton following the Ninth Circuit Court ruling on the appeal. The short Stay Order forces the 14 districts to negotiate interim contracts in an effort to reduce risk of a potential gap in existing contract and the unwillingness of the Bureau of Reclamation to negotiate new contracts with the existence of CVPIA. After discussion, Director Bailey offered a motion to pursue an interim contract for a fallback position in case the District should lose the appeal. The motion was seconded by Director Orlopp and approved by majority vote.

A discussion was then held regarding a potential for the District to do a direct funding of an anadromous fish restoration project. After discussion, Director Bailey offered a motion to approve \$15,000 seed money for the preliminary investigation and potential acquisition of certain rights. The motion was seconded by Director Brown and unanimously approved by the Board. Director reports were given and other related items were discussed.

A discussion was then held in consideration of whether to pursue electrical service through the newly formed ACWA-USA/NEV Electric Service Agreement. The Project Service Agreement provided two options for participation. The first was a straight 5% guarantee from the cost the District would pay PG&E or an 82%, moving up to an 88% after the ACWA group surpassed \$6 million savings, share of the total savings received through load management or other specialized programs. The fact that the District now has a water distribution system with considerable flexibility, the latter program appeared more attractive provided landowners can or are willing to work with the District to facilitate load curtailment during periods when prices are at the highest levels. Since there is no way to accurately project whether either program will provide significant benefit to the District, and potentially constituents via aggregating loads, one would need to be a participant in the program provided it did not risk the District's loss of its CTC exempt. Furthermore, the District will have to change out its electrical service meters by year 2002, which this program potentially could save sufficient money to pay the cost of the new meters and related services. After discussion, Director Collin offered a motion to

join the program provided we have an escape clause that can be invoked if needed to protect the CTC exemption. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding LAFCO Resolution RO-96-8A that detaches certain property from the District for annexation into the City of Orange Cove, and, annexes another parcel of near acreage into the District. No formal action had been sought from the District Board since Fresno County LAFCO automatically chains these events together. However, The Bureau of Reclamation made their approval of the District transfer subject to the District's formal acceptance of the LAFCO Resolution. After discussion, Director Brown offered a motion to accept the LAFCO Resolution. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding the Friant Water Users Authority's General Member budget. Several concerns were expressed due to the size of the budget. After discussion, Director Orlopp offered a motion to conditionally accept the budget with OCID's expression of concern over the budgeted amount. The motion was seconded by Director Collin and unanimously approved by the Board.

A discussion was then held on whether the District should seek grant funds for biological enhancement of the District's reservoirs. After discussion, the Board elected not to pursue grant funding.

A discussion was then held in consideration of supporting the California Water Awareness Campaign. After discussion, Director Collin offered a motion to support the Campaign at the requested amount of \$295.00. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held to consider some form of recognition for Jim Sebesta for doing the property sales reporting to the District. After discussion, Director Brown offered a motion for \$100 gift certificate from Vintage Press Restaurant in Visalia. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding additional bids received for the construction equipment. After discussion, Director Collin offered a motion to accept the bids. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 3:31 P.M.

McFarlin, President

Richard D.

Secretary

James C. Chandler,

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a Special Board Meeting of the Board of Directors of the Orange Cove Irrigation District on Wednesday, October 29, 1997 for the purpose of:

To explore potential opportunities to do a joint project for enhancement of anadromous fishery on Mill Creek.

Dated this Wednesday, October 29, 1997.

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a Special Board Meeting of the Board of Directors of the Orange Cove Irrigation District on Monday, October 20, 1997 for the purpose of:

To develop strategy for a presentation to the Los Molinos Mutual Water Company for a joint project to enhance the anadromous fishery in the Los Molinos area and the delegation that would represent the District.

Dated this Monday, October 20, 1997.

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, October 20, 1997.

The Meeting was called to order at 7:46 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

The meeting was called for the purpose developing strategy for a presentation to the Los Molinos Mutual Water Company for a joint project to enhance the anadromous fishery in the Los Molinos area and the delegation that would represent the District.

An outline of the proposed presentation was reviewed for fine tuning of the points to be made to the Los Molinos Board. Also discussed was who would be available from the Board to serve on the delegation especially with the absence of President McFarlin. Emphasis was placed on having good representation so discussion could be on a farmer-to-farmer level. Counsel Meith, whom represents both entities and is authorized by both boards to work on this issue will be present at the meeting to help develop an understanding of the legal issues for the project to work.

With no further business to discuss, the meeting was adjourned at 9:10 A.M.

James O. Orlopp, Vice President

James C. Chandler, Secretary

Minutes of the Special Board Meeting of the Orange Cove Irrigation District was held October 29, 1997 jointly with the Los Molinos Mutual Water Company in Los Molinos, California. The meeting was called to order at 9:05 A.M., with the following Orange Cove Irrigation District Directors and Officers present:

Directors: H.A.Collin
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary

Others: Jeffrey A. Meith
General Counsel

The purpose of the meeting was to explore potential opportunities to do a joint project for enhancement of anadromous fishery on Mill Creek. A discussion was held to develop an understanding of both parties interest and concerns. After discussion, both boards agreed to have Counsel Meith develop an agreement defining the terms and conditions for the working relation between the entities.

With no further business to discuss, the meeting was adjourned at 11:05 A.M.

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 12, 1997. 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. Director Brown asked that frost protection water be discussed and, due to the urgency, offered a motion to add the item to the agenda. The motion was seconded by Director Orlopp and unanimously approved by the Board.

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

Treasurer Stringer then reported on the bills totaling \$292,170.38. 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 various activities in the Accounting Department including the budget and year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on operation activities and the status of variable speed controllers. Various other reports were given.

Frost Protection Water was then discussed. Since this would be a new service by the District, it was unknown as to how much interest may exist or exactly how the program would be operated. However, the program could potentially be of major benefit to the landowners and therefore worth pursuing. After discussion, Director Brown offered a motion to pursue a program to provide frost protection water. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding Interim Contract Negotiations for the District's water supply contract in case the 14 districts lose the appeal in the Ninth Circuit Court of Appeal. Manager Chandler reported to the Board that the 14 districts and their respective counsels met with the Bureau of Reclamation and negotiated a form of interim contract acceptable to both parties. Furthermore, the Interim Contract(s) is put into effect only if the District or districts lose the appeal. After discussion, Director Orlopp offered a motion approving the Interim Contract only to the extent that it may be needed to protect the District's water supply. The motion was seconded by Director Bailey and unanimously approved by the Board. The need to file a Negative Declaration relative to the action taken was then discussed. After discussion, Director Brown offered a motion to approve and file a Negative Declaration. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held to establish Standby Rates for 1998. The options were presented to the Board based on the District's understanding COP Indenture. It was also reported that the covenant calculation appeared to be driving the rate which was contrary to directions given by Bond Counsel. After discussion, Director Orlopp offered a motion to adopt option A

(\$66.65/acre) subject to Bond Counsel review. The motion was seconded by Director Brown and unanimously approved by the Board.

The Friant Water Users Authority call for funds was then discussed. After discussion, Director Bailey offered a motion to approve the District's portion of the calls for funds not to exceed the budget approved by the Authority Board. The motion was seconded by Director Brown and unanimously approved by the Board.

Additional bids for the used construction equipment were then reviewed. After discussion, Director Brown offered a motion to accept the bid for the water truck. The motion was seconded by Director Orlopp and unanimously approved by the Board.

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

McFarlin, President

Richard D.

Secretary

James C. Chandler,

We, the undersigned, constituting the Board of Directors of the Orange Cove Irrigation District, do hereby consent to a Special Board Meeting of the Board of Directors of the Orange Cove Irrigation District on Wednesday, November 26, 1997 at 3:30 P.M., for the purpose to establish the 1998 Rehab. Standby Rate.

Dated this 26th day of November, 1997.

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 26, 1997.

The Meeting was called to order at 3:47 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: Robert T. Ramirez
Accounting Manager

The meeting was called for the purpose of finalizing the Standby Rate for 1998 after receiving further review from Bond Counsel relative to budget test for compliance with the COP Indenture.

Bond Counsel Brown's letter was reviewed along with new budget projections that extend beyond the 10-year price guarantee for Fishwater Hydro power. Two options of the budget projections were made to establish the high/low parameters for setting the rate. After discussion, Director Bailey offered a motion to raise the basic Standby Rate to all acreage in the District from \$5.20 to \$6.20; plus, \$57.00 (\$63.20 total) for acreage under the Rehabilitation Program. The motion was seconded by Director Collin and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 5:05 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 10, 1997. 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
Harvey A. Bailey
David A. Brown

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

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

Absent: Glenn F. Stringer, Treasurer

President McFarlin called for election of officers. Director Bailey offered a motion to appoint the same officers. The motion was seconded by Director Collin and unanimously approved by the Board.

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 minutes. Hearing none, Director Brown offered a motion to approve the minutes for the regular meeting and the special meeting held November 26, 1997. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Accounting Manager Ramirez then reported on the bills totaling \$256,272.02. 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, Accounting Manager Ramirez reported on various activities in the Accounting Department including the budget and year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on operation activities and the status of variable speed controllers. Various other reports were given.

A discussion was then held regarding the NRDC vs. Patterson hearing before the Ninth Circuit Court of Appeals as reported by Counsel Sexton. The Judges came to the hearing well prepared and were very interactive with questions as presentations were made. As such, the time limits for oral arguments were not adhered to. Interestingly, one judge was quizzical about applying the "procedural violation" to the Orange Cove contract since the OCID Renewal preceded any species listing under ESA. It would certainly appear that the judge was of the same mind as the District in that OCID's renewal is different from the other 13 in that regard. Counsel Sexton felt the final order would take over two months to prepare due to the volume of material presented from both written and oral arguments.

The Arvin-Edison/Metropolitan water banking proposal was then discussed to get a home board perspective on, in general, whether or not the District should withdraw its opposition to the partnership as now proposed; and, more particularly, whether Friant Water Users Authority should be a signatory to the agreement with the other parties. After discussion, the Board supported the position of withdrawing its opposition provided the negotiations had accomplished the intended objectives. Furthermore, the District would not oppose FWUA being a party to an agreement where MET agreed to support Central Valley agricultural water users in protecting its beneficially used water supplies.

A discussion was then held regarding the District's revised 1998 Budget resulting from the new analysis on COP payments. After discussion, Director Collin offered a motion to approve the amended budget. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held in consideration of adopting a resolution to participate in the ACWA/JPIA Workers' Compensation program for volunteer employees. The program would provide Workers' Comp coverage for volunteer employees as well as directors participating in District programs where they are not compensated. After discussion, Director Collin offered a motion to approve the resolution. The motion was seconded by Director Bailey and unanimously approved by the Board.

The 1997 audit was then discussed in consideration of whether to seek other proposals for doing the audit. After discussion, the Board agreed to retain Baker, Peterson and Franklin to do the audit for 1997, which completes the last year of the Rehabilitation Program. The Board further agreed to advertise for proposals for the 1998 audit well ahead of the time to do the audit.

A discussion was then held regarding the District's Deferred Compensation Plan and the staff's desire to change carriers. Account Manager Ramirez gave an overview of the different programs looked at by the District and the employees' desire to go with the Valic plan. Also discussed was the lack of service being provided by the present carrier and changes being made to the program without notification to the District. After discussion, Director Brown offered a motion to change the District's Deferred Comp Plan from the American United Life to Valic. The Motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding the tampering with a locked District meter for the purpose of taking water without authorization. A letter from Counsel Meith was reviewed regarding the legal course that could be taken by the District. After discussion, the Board directed staff to send a demand letter addressing the ramifications if the demands are not satisfied in a certain period.

Operations Engineer-Manager then reported on the sign-up received for Frost Protection Water. Also discussed were operations with or without variable speed pump controllers and some of the difficulties that could be encountered this year due to staff available.

A discussion was then held in consideration of installing additional variable speed pump controllers with, among other things, permitting landowners to practice electrical load management starting with the 1998 water season. With the utility deregulation, load management appears to provide the greatest opportunity for cost savings. The variable speed controllers would permit landowner with certain types of irrigation systems to cut electric loads during the summer (weekday) afternoons to cut cost. The variable speed controllers would automatically reduce pumping for the District, thereby, saving all pump systems some electrical energy cost. After discussion, the Board elected to table the discussion until the three test stations, systems 4, 9 and 13, were in place and tested.

A Call for Funds for the California Farm Water Coalition was then discussed. After discussion, Director Brown offered a motion to not participate in the program for 1998. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding the District's effort to do a direct funding for a fisheries project. A review of the hydrologic study was made and other issues relative to acquisition of the water right were discussed.

With no further business to discuss, the meeting was adjourned at 4:18 P.M.

McFarlin, President

Richard D.

Chandler, Secretary

James C.

The Minutes of a joint hearing which was duly noticed and held by Orange Cove Irrigation District, Hills Valley Irrigation District and Tri-Valley Water District to consider adoption of a joint water management plan. The hearing commenced at 2:40 P.M. with the following present:

Representatives of Orange Cove Irrigation District

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

Staff: James C. Chandler
Secretary-Manager
Sean P. Geivet
Operations Engineer-Manager

Representatives of Hills Valley Irrigation District

Director: Alan Corrin

Representatives of Tri-Valley Water District

Director: John Colbert

Others: Dennis Keller, Consultant,
HVID & TVWD
R.M. Crawford, landowner, OCID

Manager Chandler gave a brief overview of events taking place after authorization of AB3030 including the action by the three boards to do a joint plan.

Dennis Keller then reported on his review of the plan and compliance with initial scoping which included inventorying the water resource, management within the area verses export, monitoring and no immediate action to impose fees or other actions until a more detail study could be performed and, rules and regulations developed. Mr. Keller also recommended two changes to the document in the Plan Implementation section, page 11:

Item 2, add the word "Initial" at the beginning of the sentence. Add item 4, "Begin the development of a list to be addressed in the creation of Rules, Regulations and incentive programs".

All agree to the recommended changes. Mr. Keller further informed the group that Hills Valley Irrigation District and Tri-Valley Water District boards had taken action at their regular board meeting to adopt the plan subject only to any unresolvable issues being raised at the hearing.

President McFarlin then entertained a motion from Orange Cove Irrigation District directors to adopt the plan with the recommended changes. Director Brown so moved, seconded by Director Orlopp and unanimously approved by the Board.

Manager Chandler then informed the group that he would report the formal adoption to the California Department of Water Resources on behalf of the three districts.

With no further business to discuss, the meeting was closed at 3:15 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary