

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 14, 1998. The Meeting was called to order at 11:32 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: James C. Chandler, Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

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

Absent: H. A. Collin III

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 for the regular meeting and the minutes of the hearing for the Ground Water Management Plan held December 22, 1997. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$222,962.59. 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 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 in consideration of setting water rates for 1998. A water rate schedule was reviewed based on the best information available to date since the Bureau of Reclamation had not furnished the final water rate for the District. After discussion, Director Orlopp offered a motion to adopt the water rate schedule based on policy adopted in 1997, cost on 90 percent of the water contract supply. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held to consider a request from the City of Orange Cove to purchase 100 acre feet of water from OCID. After discussion, Director Bailey offered a motion to approve the purchase provided the purchase posed not threat to the District's contract or the classification of water (Ag vs. M&I). The motion was seconded by Director Orlopp and unanimously approved by the Board.

Variable Speed Pump Controllers was then discussed. Mike Lehmkuhl, California Polytechnic State University, and Doug Stevens, Concepts in Control, Inc. were on hand to provide a demonstration on the variable speed controllers and SCADA (System Control And Data Acquisition) system and to respond to question performance and reliability. A staff report was also given on cost and priority for installation. After discussion, Director Brown offered a motion to approve priorities 1 & 2 for both controllers and SCADA installation. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held concerning a parcel of land in OCID proposed for detachment and annexation to the City of Orange Cove. The District did not install a water delivery meter but place the rehabilitation fee on the land until it is detached. The annexation was supposed to be complete in November 1997 but now has been extended for one year. After discussion, the Board directed staff to install a water delivery meter in that the detachment is predicated on conditions that may not happen.

A discussion was then held in consideration of appointing directors to replace Director Collin on the Friant Power Authority and the ACWA-USA boards. After discussion, Director Bailey offered a motion to appoint Director Brown to the FPA Board and Chairman McFarlin to the ACWA-USA Board with Manager Chandler serving as the alternate to both boards. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Payment to Directors for serving on committees was then discussed. After discussion, the Board agreed that committee meetings not held in conjunction with and lasting more than one-half day should be compensated at a rate equal to a Board meeting. Staff was directed to post a notice of intent to develop the policy, which would be voted on at the District's next regular meeting.

The disclosure for payment/reimbursement to directors, officers and employees was made and opened for discussion.

An overview of the potential AFRP project the District has undertaken was presented. However, due to the time needed to discuss in detail all the issues needed for this project, the Board asked that the Meeting be continued to a later date. At 5:15 PM, President McFarlin, after inquiring as to dates for continuation, ordered the Meeting continued to January 26th @ 11:30 AM.

At 11:52 AM, January 26, 1998, the Meeting was called to order again by Chairman McFarlin with the following Directors and Officers present.

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

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

An overview of the project was again made including discussions with CVPWA and FWUA members. Two letters from Counsel Meith was reviewed. One letter pertaining to issues raised by potential water right sellers, the other, issues raised by LMMWC as a probable partner in the project.

Individual issues were then discussed with considerable detail. Once the Board formed their position on all of the issues pertaining to the potential sellers, Manager Chandler was directed to prepare a written response which was to include review by Counsel Meith, and; offer further negotiating sessions for both the water right holders and LMMWC.

With no further business to discuss, the meeting was adjourned at 1:57 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 11, 1998. The Meeting was called to order at 11:42 A.M., with the following Directors and Officers present:

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

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

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

Absent: David A. Brown

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 Bailey offered a motion to approve the minutes. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$247,827.93. After discussion, Director Orlopp 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 year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on operation activities including the proposed lockout procedure for delinquent accounts and the status of variable speed controllers. Various other reports were given.

A discussion was then held regarding the District's intent to move to the next step for collection of delinquencies, which would include the publishing of the delinquency list with the intent to file a lien. After discussion, the Board affirmed its position to start proceedings against those individuals whom have not made an effort to make their payments by the water purchase date.

A discussion was then held in consideration of adopting a policy resolution for payment to Directors for serving on District Committees that generally took longer than one-half day. The draft policy was posted for the month preceding the Board Meeting for public comment for if anyone elected to do so. It was reported to the Board that no comments had been received. After discussion, Director Collin offered a motion to adopt the resolution. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding the Call for Funds by Agricultural Energy Consumers Association. A brief report was given regarding AECA's efforts that and the benefits the District received as a result of their efforts. After discussion, Director Orlopp offered a motion to pay the Call, which was in the amount of \$1200. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held regarding CVPWA's Call for Dues. The CVPWA Board approved a budget that it felt was necessary to provide its members the level of participation needed, as a minimum, for critical on-going issues. The dues, up about 10 percent, are \$9655.00 for OCID. After discussion, Director Bailey offered a motion to pay the dues. The motion was seconded by Director Collin and unanimously approved by the Board.

A closed session was called at 12:50 PM wherein, the Directors, acting as the administrator of the District's deferred compensation plan, were asked to approve the disbursement of part of an individuals funds for divorce settlement. After discussion, Director Collin offered a motion to approve the withdrawal. The motion was seconded by Director Orlopp and unanimously

approved by the board. The regular meeting reconvened at 12:57 PM, wherein, President McFarlin announced the action taken by the Board in the closed session.

A discussion was then held regarding the District's effort to do an AFRP project. The offer to the water right holders was made in accordance with Board approval from the January Board meeting and was waiting for the Patricks to see the proposal since they did not receive the letter mailed to them. A discussion was held with John Patrick which he had been informed that the letter was being faxed to him. His comment was that if the District had not heard from him by the time of the Board meeting, the offer was acceptable to him. Language in the right to purchase agreement was also being revised to provide District assurance that the water right was separable from the land. Other items were discussed including the estimated time to prepare the first draft of the plan. After discussion, the Board directed staff to procure the right to purchase for those willing to sell at the District's offer.

With no further business to discuss, the meeting was adjourned at 2:57 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 11, 1998. 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
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

Absent: H. A. Collin III

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. An error was noted with the minutes reflecting Director Brown present when he was absent. Director Orlopp offered a motion to approve the minutes with the correction as noted. The motion was seconded by Director Bailey and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$179,548.34. After discussion, Director Brown offered a motion to approve the bills which included \$10,000 of the \$15,000 authorized in October 1997 to purchase water rights. 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 year-to-date expenses, power plant revenues, landowner delinquencies and other activities. Operations Engineer-Manager Geivet reported on various operation activities including the status of winter work, operational problems at Friant FWH and the status of variable speed controllers. A discussion was also held regarding changes in water cost for 1998 due mostly to past accounting by USBR. Director Bailey reported on activities by the Family Farm Alliance and CVPWA. Various other reports were given.

A discussion was then held regarding the District's Water Conservation Plan in consideration of adopting the Plan. The Bureau of Reclamation had reviewed the plan and had accepted it as being in compliance with CVPIA requirements. However, there were certain conditions associated with the plan that required reporting at the next annual update. After discussion, Director Orlopp offered a motion to adopt the Plan. The motion was seconded by Director Brown and unanimously approved by the Board.

At 1:18 PM, the Board meeting was recessed to hold a hearing regarding the District's intent to file a Negative Declaration pertaining to its filing for a secondary water rights permit for the Friant Fishwater Release Hydro. A review of the process to date was made including the fact that no written comments had been received. In that no one appeared at the hearing, the hearing was adjourned at 1:22 PM and the Regular Meeting of the Board continued. Director Brown then offered a motion to adopt the Negative Declaration. The motion was seconded by Director Bailey and unanimously approved by the Board.

A status report was then given regarding the District's efforts to purchase water and prepare a plan to seek USBR and USFWS approval to direct fund an AFRP project in lieu of paying Restoration fees to the Government Agencies. It was reported that the District had received comments from Serge Birk, a biologist with CVPWA, and was now preparing to get the document to Los Molinos Mutual Water Company for their comments since the plan proposes implementation in partnership with LMMWC. Other items were discussed relative to getting the final plan prepared for submittal to the Federal Agencies.

A discussion was then held regarding a Call for Funds (\$300) by ACWA Region 6 for water education purposes. After discussion, Director Orlopp offered a motion to approve \$300 for the purpose of the Call. The motion was seconded by Director Bailey and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 1:38 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 8, 1998. The Meeting was called to order at 11:42 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: James C. Chandler, Engineer-Manager-Secretary
Glenn F. Stringer, Treasurer

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

Absent: H. A. Collin III

President McFarlin asked if there were any changes to the agenda. Manager Chandler informed the Board there was a need to discuss his working relation with the City of Orange Cove regarding their water needs. Director Orlopp stated there was also a need to discuss guidelines pertaining to annexation/detachment of District lands. Director Brown offered a motion to add the items 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 minutes. Hearing none, Director Orlopp offered a motion to approve the minutes. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Stringer then reported on the bills totaling \$392,160.12. After discussion, Director Bailey offered a motion to approve the bills. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under the Monthly Report, Manager Chandler reported on the Calfed process, the Programmatic EIS Hearing held in Fresno for CVPIA, the status of getting setup for electrical service by NEV, the electrical distribution study for OCID and various other activities by the District.

A discussion was then held regarding the District's reserves. It was reported that after discussing this matter with Counsel Meith and various other districts, those that set reserve amounts on some type of guidelines did so on the basis of maintaining about one-year of operational cost absent of water cost. The general consensus was that with the activities or opportunities the District is currently pursuing, the reserves should be maintained at somewhat higher level. However, it was agreed that this matter should be discussed on occasion to evaluate the reserve standings.

A lengthy discussion was then held on the District's efforts to do an AFRP project. The most challenging aspect of the District's efforts has evolved around the inability of the local entity to respond to proposals. The District has determined, however, that there is a viable alternative by working with others in the area to proceed with the project. There was willingness by the present entity to hold discussions to formulate their position and respond to the District's proposal. At this time, the District feels its best position is to wait to see if the process happens.

A discussion was then held regarding the need for a gantry crane for the Friant Fishwater Release Hydro. The request to purchase a new crane was tabled since the District had located and purchased a used hydraulic floor crane which appears will serve the purpose. Other items were reported on which the District will undertake engineering on in the near future to enhance the maintenance program.

A discussion was then held in consideration of contributing to the Water Education Foundation to support their educational program. After discussion, Director Orlopp offered a motion to support at the \$250, which was requested. The motion was seconded by Director Bailey and unanimously approved by the Board.

Working with the City of Orange Cove on water related matters was then discussed. After discussion, the Board agreed that discussions could occur provided there is a clear understanding of the issues the District could support and those it could not.

A discussion was then held regarding annexation/detachment of land to and from the District. Several issues were discussed but due to the complexity of the issue, no consensus was reached as to whether new policy and/or guidelines should be developed regarding this matter.

With no further business to discuss, the meeting was adjourned at 2:43 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, April 29, 1998.

The Meeting was called to order at 1:38 P.M., with the following Directors and Officers present:

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

Officers: James C. Chandler
Engineer-Manager-Secretary

Absent: H. A. Collin

The meeting was called for the purpose of discussing potential changes in the plans for the Mill Creek AFRP.

A discussion was held regarding new ideas that were being generated from Los Molinos Mutual Water Company and potentially what that would do for the project and OCID as the planning entity. The current planning would procure more water rights for the stream and potentially generate more environmental credit than could be used by OCID. However, that opened the opportunity to partner with another entity or sell environmental credits should the project be accepted by USBR and USFWS as projected. After discussion, the Board agreed to pursue the larger project to the extent water rights could be purchased for the project.

With no further business to discuss, the meeting was adjourned at 2:52 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 13, 1998. 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
David A. Brown
H. A. Collin III

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

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

Absent: Harvey A. Bailey

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 Brown offered a motion to approve the minutes. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Accounting Manager Ramirez then reported on the bills totaling \$276,562.92. 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 standing of the District and activities in the Accounting Department. Ramirez also presented an overview of the water purchases for the year totaling less than 31,000 acre feet and the potential financial impact to the District. Operations Engineer-Manager Geivet reported on the status of the VFD, SCADA and the CIMIS weather station. Manager Chandler then reported on various other water-related activities including the Transfer Agreement where the Friant Water Users Authority is funded directly by member districts for the O&M of the Friant-Kern Canal.

Mr. Jon Chessum, representative of Baker, Peterson & Franklin, appeared before the Board to review the 1997 audit. After discussion, Director Collin offered a motion to approve the audit. The motion was seconded by Director Brown and unanimously approved by the Board.

Regarding District Reserves, the matter was tabled for the June Board meeting to allow staff more time to prepare reports.

A discussion was then held regarding the AFRP proposed by the District. The project potential was increasing in size, which made for a better project for the stream but also potentially generated more credit than needed to offset the OCID environmental fees. Other potential credits were discussed. Final scoping of the project is awaiting Los Molinos Mutual Water Company's preparation of draft terms and conditions for the working relations with OCID.

A discussion was then held in consideration of continuing support for the Family Farm Alliance via membership dues. After discussion, Director Collin offered a motion to approve the dues (\$1,500). The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held in consideration of procedure to fill the Treasurer position for the District. Manager Chandler reported on the various options as discussed with District Counsel. The matter would be placed on the June Board Meeting agenda for Board decision.

A discussion was held to determine whether the District should do an annual report in 1998 or wait until 1999 to do a report similar to the 1996-97 report. The Board agreed that it would be better to wait until 1999 where some issues may be resolved such as the ruling from the Appellant Court on the District's water supply contract.

With no further business to discuss, the meeting was adjourned at 2:06 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 10, 1998. The Meeting was called to order at 11:48 A.M., with the following Directors and Officers present:

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

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

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

Absent: Richard D. McFarlin, President

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

Chairman Orlopp 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 Collin and unanimously approved by the Board.

Accounting Manager Ramirez then reported on the bills totaling \$371,231.98. After discussion, Director Bailey 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 the financial standing of the District and activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of the VFD, SCADA and the CIMIS weather station and water use to date. Manager Chandler then reported on various other water-related activities including the Calfed process with preliminary listing of alternatives and efforts to find a home for some of the District's surplus water for the water season.

A discussion was then held to appoint a new Treasurer for the District. After discussion, Director Collin offered a motion to appoint Accounting Manager Ramirez to the position. The motion was seconded by Director Brown and unanimously approved by the Board.

Accounting Manager Ramirez then reported on the District Reserves, "unrestricted funds", and the accounting of the funds over the last several years.

A discussion was then held regarding the AFRP proposed by the District. It was reported that little progress has been made since the last Board Meeting in that we have been waiting for the Los Molinos manager to outline the concept approved by his board for the working relations with OCID.

A discussion was then held regarding Ramirez property that was donated to the City of Orange Cove. The City had inquired as to whether the property could continue to receive water from the District. However, since this was property that was supposed to have been detached from the District in the early 1980's as per prior agreements with the City and then not detached due to a change in ownership and a recommendation by LAFCO, Manager Chandler recommended an agreement with the City clearly stating terms and conditions to receive water service. The principle terms and conditions for water service would be tied to the property, as a whole, remaining in agricultural production. Once conversion of any portion of the property was started, water service would terminate and the property detached from the District. The Board agreed in concept and directed Management to proceed with the agreement.

Under Personnel, a closed session was called at 2:43PM to discuss employee salaries and benefits. In addition, a plan was discussed on how the Operations Department would function if Operations Engineer-Manager Geivet should leave for employment outside the District. Also, a

special recognition and title change was recommended for Accounting Manager Ramirez. After discussion, Director Collin offered a motion to do the following:

A. Adjust monthly salaries as follows effective July 1, 1998

1. Accounting Department

A. Accounting Manager - Robert Ramirez	\$4,300-	\$4,500
B. Accounting Clerk - Dalia Cantu -		\$1,700 -
\$1,800		

2. Administration

A.. Administrative Secretary - Lorraine Celaya	\$2,500	- \$2,600
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3. Operations

A. Operations Engineer-Manager - Sean Geivet	\$4,530-	\$4,580
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B. Field Operations Staff	\$3,060	- \$3,160
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B. Change the title for the lead accounting position from Accounting Manager to Controller.

C. Recognize Accounting Manager Ramirez with a Certificate of Appreciation and a cash award of \$500 for his extra efforts for collection of delinquent accounts.

D. Provide an incentive for Field Operations Staff to operate the District without a Superintendent should Operations Engineer-Manager Geivet leave the District by:

1. Making an immediate adjustment in salary to \$3,260/month.
2. Commencing a six-month trial period where upon demonstration of satisfactory and responsible performance, the salary would be adjusted to \$3,500/month.

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

The regular session of the Board reconvened at 3:01PM where Chairman Orlopp announced the action taken by the Board.

With no further business to discuss, the meeting was adjourned at 3:03PM.

James O. Orlopp, Vice-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 8, 1998. 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
Harvey A. Bailey
H. A. Collin III
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, he ordered the agenda approved as prepared.

President McFarlin then asked if there were any errors or omissions to the minutes. It was noted that the appointment of the new District Treasurer was not reported. Director Brown then offered a motion to approve the minutes with the corrections made. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Treasurer Ramirez then reported on the bills totaling \$329,144.65. 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 the financial standing of the District and activities in the Accounting Department. Operations Engineer-Manager Geivet reported on the status of the VFD, SCADA and the CIMIS weather station and water use to date. Manager Chandler then reported on various other water-related activities.

A discussion was then held regarding the Ninth Circuit Court ruling on the Water Supply Contract litigation. The Ninth Circuit had upheld the District Court's ruling so the discussion was whether to ask the Ninth Circuit to review their ruling or try to get it before the Supreme Court or both. The Board felt that it may be worth pursuing both but elected to not make a final decision until the District had a better feel for the cost involved.

A discussion was then held regarding the district's efforts to purchase water rights for the purpose of using the water for an AFRP project. Discussion centered around the ownership of the water right since that appeared to be the only major issue unresolved with Los Molinas Mutual Water Company to partner with the District on the project. Counsel Meith was brought into the discussion via telephone to discuss a trust arrangement as a means of satisfying the concerns of both LMMWC and OCID. Via the trust arrangement, the water would be purchased in the name of LMMWC and held by them in trust for OCID for environmental enhancement purposes. After discussion, Director Collin offered a motion to pursue the project and the purchase of the water rights via the trust arrangement. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held to appoint an Alternate Director for the Friant Power Authority. After discussion, Director Collin offered a motion to appoint Director Orlopp. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding a request to support, through membership, the Environmental Response Team of California. It was noted that the District was a participant through its membership in the Friant Water Users Authority. After discussion, the Board directed Manager Chandler to inform the Team as to our participation.

A discussion was then held regarding a request from the San Joaquin Valley Agricultural Water Committee to participate in the 1998 Congressional Outreach Program for ESA Reform in the amount of \$75.00. 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.

With no further business to discuss, the meeting was adjourned at 3:34 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, 1998. 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
Harvey A. Bailey
H. A. Collin III
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, he ordered the agenda approved as prepared.

President McFarlin then asked if there were any errors or omissions to the minutes. Director Collin offered a motion to approve the minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Ramirez then reported on the bills totaling \$231,544.32. 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, Controller Ramirez reported on the financial standing of the District and activities in the Accounting Department. Water supply, use and other related issues were discussed.

The water supply contract litigation was then discussed. The filing for the Ninth Circuit Court review had been made and discussions continue in consideration of appealing to the Supreme Court. Also discussed was the potential to enter into settlement discussions with NRDC. The Board was in support of discussions with NRDC but would reserve judgment on whether to continue further appeal.

Discussions continued regarding the District's efforts to purchase water rights for the purpose of using the water for an AFRP project. The Fish and Game analysis on Deer and Mill Creeks, which valued the benefits on smolt equivalents, was reviewed. The smolt equivalents placed a value on Mill Creek of about \$35,000 per year which is much less credit than the District would need for a viable project. The Board discussed the possibility of meeting with Fish and Game staff in an effort to evaluate support for the project under the District's proposal.

A discussion was then held regarding driveway repair for the D. W. Ketscher Ranch. A review of the work and potential damages caused by the District was made. After discussion, the Board directed staff to work with the owner to reach a reasonable resolve of the matter.

A discussion was then held to develop procedures for issuing Request for Proposals (RFP) for the 1998 audit. After discussion, the Board directed staff to issue letters to potentially interested parties whom then could request criteria for making proposals.

A discussion was then held regarding procedures for signing checks. After discussion, the Board confirmed the current procedure as being adequate and appropriate for the District.

A brief overview of the 1999 draft budget was held in preparation for full discussion at the regular meeting of the Board in September.

With no further business to discuss, the meeting was adjourned at 2:03 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, September 9, 1998. 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
Harvey A. Bailey
H. A. Collin III
David A. Brown

Officers: James C. Chandler, Engineer-Manager-Secretary
Robert Ramirez, Controller/Treasurer

Others: Harvey R. Williams, Consultant
Richard M. Moss, Manager Friant Water Users Authority

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. Director Collin offered a motion to approve the minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

Treasurer Ramirez then reported on the bills totaling \$445,438.02. 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, Controller Ramirez reported on the financial standing of the District and activities in the Accounting Department. Water supply, use and other water related issues were discussed.

The water supply contract litigation was then discussed. Richard Moss, Manager, Friant Water Users Authority, Director Bailey and other representatives from FWUA met with and discussed entering into settlement discussions rather than over continuing to litigate. Some of the conditions were that there would be no more appeal by the Friant 14, NRDC would not seek attorney fees for the Ninth Circuit Appeal, there would be water down the River for some environmental enhancement with no substantial harm to the users of Friant Water. The Board discussed the need for NRDC to put more on the table, such as support of the VAMP program. Mr. Moss felt that was doable. After further discussion, Director Brown offered a motion to enter negotiations with NRDC provided they were willing to demonstrate their sincerity for true settlement discussions. The motion was seconded by Director Bailey and unanimously approved by the Board.

The 1999 Budget was the discussed including the standby charges necessary to support the Budget. After discussion, Director Brown offered a motion to adopt the budget as prepared with a billing standby rate of \$64.00 for the landowners receiving benefits from system rehabilitation. 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 2:40 P.M.

The Regular Meeting of the Board was then reconvened. A discussion was then held regarding the low water sales for the season due to the extremely wet Spring, the cost of District water and fairly good groundwater pumping conditions this year. Also discussed was the fact that the current market value for water is less than environmental fees should water be sold. The Board directed staff to continue to evaluate this matter and report on a monthly basis.

Regarding the AFRP, a discussion was held in consideration of employing the services of Harvey Williams to work on the proposed AFRP project as a consultant. After discussion, Director Collin offered a motion to employ Mr. Williams. The motion was seconded by Director Brown

and unanimously approved by the Board. Also discussed was whether to make a formal offer to Richard and Brad Call for the first right to the water rights during the fish-run periods. The Calls had shown interest in selling only their first rights at \$90,000 per percent, the same amount the District was paying for the whole rights from other individuals. Since the District would not get the same value from the Calls' right, the right should be valued on a relative basis. After discussion, Director Collin offered a motion to offer the Calls \$90,000 per percent for the whole water right or \$70,000 per percent for the first right during fish-run periods. The motion was seconded by Director Bailey and unanimously approved by the Board.

The Board then reviewed proposals for the 1998 audit. After discussion, Director Bailey offered a motion to continue the services of Baker, Peterson and Franklin at the rates proposed (\$8,000) for the next three years. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held in consideration of adopting a resolution to file certificates of Lien on property where owners are delinquent on payments. After discussion, Director Collin offered a motion to adopt the resolution, including the list of delinquent owners. The motion was seconded by director Bailey and unanimously approved by the Board.

A discussion was then held regarding the use of Vemeer to help sell the Vemeer trencher. Vemeer had indicated an interest but wanted a 10% commission. Manager Chandler recommended a declining commission based on the amount of sale (10% for \$110,000 –125,000; 8% for \$100,000- 110,000; 6% for \$90,000-100,000) with the bottom line being set at \$90,000. Director Brown offered a motion to use Vemeer on the basis of the recommendation. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held regarding Proposition 9, which would be on the ballot for the November election. Proposition 9 would change the previously approved AB 1890 on how the electrical industry deregulation would work. After discussion, the Board elected to not take a position.

With no further business to discuss, the meeting was adjourned at 4:01 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 14, 1998. The Meeting was called to order at 11:42 A.M., with the following Directors and Officers present:

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

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

Others: Harvey R. Williams, Consultant

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. Director Brown offered a motion to approve the minutes as mailed. The motion was seconded by Director Bailey and unanimously approved by the Board.

The bills totaling \$483,997.98 were then discussed. 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, a review of Controller Ramirez's reports on the financial standing of the District and activities in the Accounting Department were made. Also, the water supply, use and other water related issues were discussed including the letter from Allan Corrin regarding potential leakage from the System 8 reservoir.

A report was then given regarding the water supply contract litigation and potential settlement discussions with NRDC. The FWUA Board, at the direction of member Districts, established a set of conditions and guidelines to take before NRDC to determine, in a timely manner, their sincerity in negotiating a settlement of the litigation. A principle condition of settlement discussions would be "no significant harm to the Friant water user".

Regarding water sales, a discussion was held regarding efforts to minimize the financial impact to the District due to the lack of water sales because of the unusually wet year. One opportunity would be to sell some of the remaining supply to Arvin-Edison Water Storage District provided the District would agree to sell an equivalent amount to A-E for the 1999 Water Year. After discussion, Director Orlopp offered a motion to sell 5,000 acre-feet to A-EWSD, carry over 4,000 acre-feet and attempt to turn back 8,000 acre-feet. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under the Friant Fishwater Hydro, a discussion was held regarding the PG&E's plan to convert the power line serving the plant from a 12 kva line to a 21 kva line. Under the conversion, OCID would be required to install new equipment (switchgear and transformer) to be compatible with the new service. Bids were reviewed with the low bid being \$65,950.00 by LGE Electrical Sales, Inc. The Board directed staff to evaluate the proposal to make sure that it was the most cost-effective manner to make the conversion. Otherwise, the conversion was a necessity in order to continue generation from the plant.

A progress report was then given on the District's AFRP efforts. Copies of the latest report draft was reviewed with the Board and discussion held regarding meeting with California Departments of Fish and Game and Water Resources, the tax issue with Buck Jones and the efforts being made to set up a meeting with Roger Patterson and staff.

A discussion was then held regarding the FWUA dues structure and the interest of the City of Fresno becoming a general member of the Authority. After discussion, the Board elected to table the matter until further action was taken by the FWUA Board.

A discussion was then held regarding the Regional Water Quality Control Board notice of violation. The District's violation was easily remedied by submission of monthly reports. However, the notice also accuses the District of being in violation of warning sign posting which, according to the permits, is an obligation of the City. The District has requested reconsideration of the latter item.

A discussion was then held regarding District landowners purchase of railroad land. The land, as railroad right-of-way, was excluded from the District and was not entitled to District water under Federal Contract. Staff would attempt to get a waiver of this condition until a District Boundary Reorganization could be put in place.

A discussion was then held regarding a request from California Water Awareness Campaign to support their activities. After discussion, the Board elected to not support these activities.

With no further business to discuss, the meeting was adjourned at 3:00 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 Thursday, November 12, 1998. The Meeting was called to order at 11:42 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler, Engineer-Manager-Secretary
Robert Ramirez, Controller/Treasurer

Others: Harvey R. Williams, Consultant

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. Director Collin offered a motion to approve the minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

The bills totaling \$301,098.40 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and activities in the Accounting Department. Reports were also given on the Friant Fishwater Hydro conversion to 21-kva service, System 14 damage, potential trencher sale and other related issues.

Under Water Supply Contract Litigation, Director Bailey reported on Friant's efforts to negotiate a settlement with NRDC on the litigation. NRDC would not hold to their original position of no significant harm to the Friant water users, therefore, for the most part negotiations have stalled. The Friant 14 (Renewed Contracts) will seek a Supreme Court hearing and NRDC will seek attorney fees for the Ninth Circuit hearing.

Discussion then continued on water use and transfers efforts to minimize the financial impact to the District due to the lack of water sales because of the unusually wet year. The Arvin-Edison Water Storage District transfer had been worked out in that they would pay all cost associated with water use and OCID would pay the Capital Repayment portion since the District would get credit for that portion of the water cost anyway. Other efforts are ongoing to bank water with other Districts or the Kern County Water Agency.

At approximately 1:30 P.M., Mr. Allan Corrin appeared before the Board to discuss to discuss crop damage he felt was caused by the District's System 8 reservoir. Mr. Corrin submitted a letter to the District claiming damage to 95 vine rows due to the lack of opportunity to make timely cultural practices and planting of some plum trees in a new orchard. It was pointed out to Mr. Corrin that the District dried the reservoir October 15, 1998 and the water has continued to flow. Furthermore, this was not the only area seeing seepage problems adjacent to the foothills this year. After discussion, the Board agreed to submit Mr. Corrin's claim to ACWA/JPIA for direction.

A discussion was then held regarding the proposed Lien Sale by Tulare County for the Elrod property in OCID. The minimum bid as listed by the County was less than owed to the District. After discussing the matter with the County, the District was informed that if it elected to object, the District would have to deposit the minimum bid with the County in case there are no other bidders. A check with District Counsel found that this condition does apply in certain circumstances but does not apply to OCID based on the District's method of revenue collection. After discussion, Director Orlopp offered a motion to object to the sale at the currently listed

minimum bid. The motion was seconded by Director Bailey and unanimously approved by the Board.

Discussion then continued regarding the System 12 damage by Roger Norton. The matter had been discussed with Counsel Meith both from the standpoint of damage to the District's system and how to resolve the right-of-way issue. Regarding system repair, the District has an obligation to maintain the system in good repair for its users. If Mr. Norton obstructs the District from making the repair, the District has no choice other than bring in the County Sheriff to remove and/or prevent any obstruction from the District's repair. There were several alternatives to stop the dispute over right-of-way. The simplest being if the District could show what Mr. Norton agreed to when the system was installed since he did not object at that time. The Board agreed to pursue that course of action for the time being.

Under the AFRP project, discussion continued on the District's efforts to purchase water rights for the purpose of enhancing a fish restoration program. Buck Jones called a meeting with the District, his attorney, Martha Lenihan, and accountant, Ken Astle to discuss issues and options since the sale would not be tax exempt for Mr. Jones. Ms. Lenihan reported to the District that Mr. Jones wanted \$130,000 per percent of water right. Analysis by the District showed the project would not support that price based on the anticipated credits. The Board supported that position and was not interested in attempting to negotiate a price higher than the \$90,000 per percent agreed to by the other sellers.

A discussion was then held regarding the District entering into a Memorandum of Understanding with the Ag Water Management Council (AB 3616 by State of California) to show the District is practicing good water management practices. After discussion, Director Bailey offered a motion authorizing the President and Secretary of the District to sign the MOU. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 3:00 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 Thursday, December 9, 1998. 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
Harvey A. Bailey
H. A. Collin III
David A. Brown

Officers: James C. Chandler, Engineer-Manager-Secretary
Robert Ramirez, Controller/Treasurer

Others: Harvey R. Williams, Consultant
Randy McFarland, Consultant

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

President McFarlin then opened the meeting for the election of Officers and suggested that the Chair be rotated. After discussion, Director Collin offered a motion to retain the current Officers. 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. Director Orlopp offered a motion to approve the minutes as mailed. The motion was seconded by Director Collin and unanimously approved by the Board.

The bills totaling \$241,868.77 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other activities in the Accounting Department. Reports were also given on the Friant Fishwater Hydro, frost water availability, Reservoir 8, vacation schedules and other related issues.

Under Water Supply Contract Litigation, Director Bailey and Manager Chandler reported on Friant's continued efforts to negotiate a settlement with NRDC on the litigation. It appeared NRDC would not hold to their original position of no significant harm to the Friant water users but at the direction of the FWUA Board of Directors, staff and Counsel were directed to continue their efforts to find a position to hold negotiations. The efforts to hold negotiations provide an opportunity to request Judge Karlton to delay hearings on the 5937 issues. Meantime, the Friant 14 (Renewed Contracts) will seek a Supreme Court hearing and NRDC will continue to seek attorney fees for the Ninth Circuit hearing.

Discussion then continued on water use and efforts to return some Class I water due to the unusually wet year. The Advisory Committee to the FWUA agreed to pursue efforts to return some water which would then be converted to 215 which would minimize the financial impact to the Contract District while making available recharge water at affordable rates. If the program is acceptable to the Bureau, 10 to 12 percent may be returned this year only in the form of "Take and Pay" which is the format for renewal contracts under CVPIA.

A discussion was then held to consider the District's position on permitting cities contracting for Friant CVP water to become members of the Friant Water Users Authority. After discussion, the Board agreed to a trial period provided that the new cities members could not veto items that are beneficial to the existing agricultural members.

Under the AFRP Project, progress reports were given and discussion continued regarding the District's efforts to put the Mill Creek project in place and get credit from USBR and USFWS. Also discussed was the engaging of service from Randy McFarland to assist with the public

relations aspect of the project. After discussion, Director Collin offered a motion to use Mr. McFarland for that purpose. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held in consideration of entering into a service agreement with Friant Water Users Authority to perform certain maintenance services for the District. The advantage being that the District is not staffed for nor have the equipment to perform the task. Furthermore, it is the most economical manner to perform the task. After discussion, the Board directed staff to pursue a service agreement with the Authority.

Discussion then continued regarding Roger Norton damage to System 12 and means to resolve the differences between Mr. Norton and the District. After discussion, the Board directed staff to assemble certain meeting notes and information pertaining to original easements so a recordable easement could be put in place as soon as possible. Discussions are to continue when this information is available.

Discussion then continued regarding the use of reclaimed water from the City. Under the District's current operations, the District could not use System 8 to disperse water due to backflow concerns from Friant Water Users Authority. The use of System 7 only limited the amount of reclaimed water that could be taken by the District even though much more water is treated and available for District use. Since the Regional Water Quality Board had raised questions on signing the application area, questions arise as to the value of using the limited supply that can be applied in System 7. After discussion, the Board directed staff to evaluate alternatives and report back to the Board.

Under Personnel, a discussion was held regarding Manager Chandler's performance and salary. Under salary, discussion centered around whether there is a means to agree to a salary adjustment but deferred compensation due to budget constrains. After discussion, the Board directed Manager Chandler to discuss the issues with Jon Chessum, the District's representative with the accounting firm of Baker, Peterson and Franklin, and continue the discussions at the next regularly scheduled Board meeting.

With no further business to discuss, the meeting was adjourned at 2:50 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary