

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday January 13, 1999. 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

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 reported that the minutes did not reflect the Board's intent of getting a recorded easement on the Norton property as quickly as possible. Director Collin then offered a motion to approve the minutes as corrected. The motion was seconded by Director Bailey and unanimously approved by the Board.

The bills totaling \$96,181.08 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 deliveries, Reservoir 8 response to refilling, and other related issues.

Under Water Supply Contract Litigation, Director Bailey and Manager Chandler reported on Friant's efforts to negotiate a settlement with NRDC on the litigation. After considerable discussion in the FWUA Continued Board meeting of December 18, 1998, the Board agreed by majority vote to continue its effort to negotiate a settlement with NRDC. As a minimum, the negotiations would provide an opportunity to delay the 5937 hearings before Judge Karlton.

A discussion was then held to review the 1998 water usage, the turnback quantity, balance for potential carryover and rates for 1999 water year. The District was able to turn back 4900 acre feet due to the extremely wet conditions for the year. After the December usage, approximately 6700 acre feet remained for potential carryover. Computing the water rates by using the same methodology as the last two water years, the 1999 rates would be about \$1.75 higher than the 1998 rates. After discussion, Director Collin offered a motion to maintain rates at the 1998 level unless it created a problem in protecting the covenant required by COP indenture. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding the December 1998 freeze and the potential financial impact to the landowners and their ability to pay District bills. After discussion, the Board directed staff to evaluate options, including potential impacts if the covenant is not met, in preparation for the worst condition.

Under the AFRP Project, reports were given on the recent meetings held with State and Federal agencies. For the most part, the project is received well by the agencies at all levels. Most questions came in the technical meeting held January 7 in Sacramento with most questions asked by biologist. However, the policy people appeared committed to seeing the project through to completion.

A discussion was then held for the Board to consider the purchase of the land for reservoir 8 instead of doing a land swap as was originally proposed. After discussion, the Board agreed to the concept provided the land is reasonably priced and directed staff to move ahead with the process.

Discussion was again table on the System 12 damage by Roger Norton since staff could not recover Sean Geivet's notes from his discussions with Mr. Norton before installing the pipeline on his property.

The continued use of reclaimed water was then discussed. In particular, does the District get sufficient benefit to take the water if it can only be used in System 7. It was noted that the District had not utilized the full supply that had been treated for District use and, potentially, could provide more of a benefit to the District, particularly in dry years, if the full supply could be used. The Board agreed that the water is a benefit to the District and directed staff to install signs in the use area in compliance with the Regional Board order and evaluate other opportunities for beneficial use.

The Foreclosure Sale for the Elrod property was then discussed. In that the January payments to the District would most likely be delinquent and need to be added to the District's claim, the matter was tabled for the February Board meeting.

A discussion was then held in consideration of paying dues for Central Valley Project Water Association, Family Water Alliance, California Farm Water Coalition and Agricultural Energy Consumers Association. After discussion and due to the severe impact from the December freeze, the Board elected to pay only the CVPWA dues.

Under Personnel, Engineer-Manager Chandler reviewed the outstanding performance by Art Pipkin for his single-handed operation of the District's water distribution system under extreme adverse conditions due to the December freeze. After discussion, Director Collin offered a motion to recognize Mr. Pipkin with a Certificate of Appreciation and a cash award of \$500. The motion was seconded by Director Brown and unanimously approved by the Board. The Manager's performance and salary review was continued to the February Board meeting information from the District's accountants.

With no further business to discuss, the meeting was adjourned at 3:55 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

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, January 25, 1999:

The purpose of the meeting is to discuss the Mill Creek Anadromous Fish Restoration Project.

Dated this January 25, 1999.

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Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held Monday, January 25, 1999.

The Meeting was called to order at 8:20 AM with the following Directors and Officers present:

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

Officers: James C. Chandler  
Engineer-Manager-Secretary

Others: Harvey R. Williams, Consultant

Absent: James O. Orlopp, Vice President

The meeting was called for the purpose of discussing the District's proposed Mill Creek Anadromous Fish Restoration Program.

Reports were given on meetings held in the Los Molinos area including the meeting with Tehama County and their concerns over groundwater usage and potential groundwater overdraft. The County's concerns would be responded to in the Environmental Assessment Report. Information gather from the Department of Water Resources indicated that there would not be a problem, however, the matter had to be adequately address.

Of greater concerns was the fact the Richard and Brad Call had now changed their mind about selling part of their water right to the District. This would reduce the District's options to 5.5% which would most likely not generate enough flow to have a valid project. The District has now approached Los Molinos Mutual Water Company on the basis that they needed to make up the 4% in order to make the project work. Their Manager, Jim Lowden, felt this could be done but would need to look dry-year hydrology to facilitate the development of a plan. Harvey Williams will furnish the hydrology and assist with any other items that may be needed.

Also of concern was whether the two owners that the District held purchase options on may be uncomfortable in extending the option period. Three areas were addressed that had previously been identified as items of interest by the sellers. These items were; 1) interest on the unpaid portion of the water right, 2) options to share benefits at some future date provided certain expectations are met and, 3) option to buy back the water right should the project be terminated. Staff was directed to set up meetings with the owners to discuss these options.

Another area of concern was whether all potentially interested parties were being informed to minimize potential delays should the project move ahead. Of particular concern was John Merz of the Sacramento River Trust. Mr. Merz had been informed of the project by Dan Fults, however, Segre Birk would provide a more detail briefing for Mr. Merz in the near future.

With no further business to discuss, the meeting was adjourned at 9:52 AM.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday February 19, 1999. The Meeting was called to order at 11:47 A.M., 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  
Robert T. 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 asked if there were any errors or omissions to the minutes. Director Brown offered a motion to approve the minutes from the Regular Meeting of January 13, 1999 and the Special Meeting of the Board of January 25, 1999. The motion was seconded by Director Bailey and unanimously approved by the Board.

The bills totaling \$578,118.53 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other activities in the Accounting Department including PG&E's makeup payment on Fishwater Hydro. Status reports were also given on the 12-21Kv upgrade for Friant Fishwater Hydro, the SCADA system installation and the Corrin claim.

A status report was then given on the Water Supply Contract litigation and Friant's efforts to negotiate a settlement with NRDC. It was also reported that the Ninth Circuit Court had ruled in favor of attorney fee for NRDC for Friant's appeal to the Ninth Circuit since the ruling was made in favor of NRDC. The attorney fees would be on the non-federal defendants but, due to the unusual nature of this ruling, it is being reviewed further by the court system as to its applicability.

Water Supply Contract negotiations were then discussed. The format set by the Bureau of Reclamation was to start on a Project-wide basis working their way down to the individual contractors. Each level had to be approved prior to moving to the next step in the process. In doing so, the Bureau wanted representation for the contractors at every meeting and the representation needed to be formalized by district boards. As such, Manager Chandler recommended that each OCID Board member, District Manager, District Counsel, and manager and counsel from the Friant Water Users Authority be designated as representatives for OCID. Director Orlopp offered a motion to approve the recommendation. The motion was seconded by Director Collin and unanimously approved by the Board.

The 1998 water balance and carryover was then discussed. The Bureau changed their carryover policy to include a no dollar loss provision should the water be lost from storage. If the water was lost, the payment made for the water would be applied to other components such as O&M or capital. As such, OCID submitted payment to carryover 6766 acre feet at \$8.27 per acre feet.

Discussion continued on the 1998 crop freeze and discussions with Dave Houston should the District landowners encounter problems making their payments for the rehabilitation project. Mr. Houston suggested that the District conduct business as normal but should it encounter a lot of delinquent payments, it might first want to look to District reserves before use of the COP

reserve. Otherwise, District collection efforts should continue as normal for any delinquent account to show that the District is making a diligent effort to collect.

A status report was then given on the District's proposed AFRP project. OCID is very close to finalizing the plan and the environmental assessment document which could be released in the near future. However, there appears to be a need to do additional well monitoring in the area to satisfy some concerns of Tehama County. The cost to do the additional work would not be prohibitive which, in the long run, would strengthen the District's position of demonstrating no harm to the community. Mr. Randy McFarland also presented a plan to do a public announcement via the local media at the time the environmental assessment document is released for public review. Emphasis would be placed on agricultural interest working together to solve environmental problems. Several details still needed resolution with Los Molinos Mutual Water Company including an additional right to about 4% water to hold the plan at 9.5% of creek flow.

Regarding the Reservoir Land Exchange, there was no discussion at this meeting since the Board is waiting for a proposal from the landowner to sell the property instead of exchanging land.

Discussion continued regarding Roger Norton animosity toward the District and the position he has taken on the placement of the District pipeline on his property. The Board is still interested in resolving the matter to the extent possible but directed staff to bill Mr. Norton for the damages done to the District system.

Under City of Orange Cove, no discussion was held due to representatives from the City having last minutes schedule changes preventing their presents.

Controller Ramirez then reported on the Foreclosure Sale for the Elrod property. The property had been redeemed with the payment of County taxes therefore the foreclosure sale would not be held. The District lien will remain on the property and the District will proceed under its normal procedure for collection.

President McFarlin and Manager Chandler then reported on a meeting called by Fresno County LAFCO. The purpose of the meeting was for Executive Director Marvin Panter to get a status report to present to the Commission. Hills Valley Irrigation District and Tri-Valley Water District are still expressing interest in joining OCID. However, after discussion, it was agreed that any renewed efforts on this matter should wait until after the water supply contract are renewed for all three districts.

Under Personnel, discussion continued regarding a salary increase for District Manager with deferment of payments to some future date due to cash flow to the District in the near future. After discussion, the Board agreed to continue discussions on the process by having Jon Chessum, Baker, Peterson & Franklin, present at a regular meeting of the Board to further explain the process.

With no further business to discuss, the meeting was adjourned at 2:58 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday March 10, 1999. 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  
Robert T. Ramirez  
Controller/Treasurer

Absent: Henry A. Collin III

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

The bills totaling \$194,701.67 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other activities in the Accounting Department. Status reports were given on the 12-21kv upgrade for the Friant Fishwater Release Hydro, Corrin's claim and the SCADA system installation. Also discussed was the LAFCO extension of the Adams/Anchor Avenue Reorganization and the scheduled Micro-system Evaluation Workshop.

A status report was then given on the Water Supply Contract litigation and Friant's efforts to negotiate a settlement with NRDC. It was reported that the Ninth Circuit Court had issued a Temporary Stay on attorneys' fees in part due to the ongoing negotiations between parties. Negotiations with NRDC are scheduled to commence March 18 with the tentative meeting location at Modesto. Also reported was the brief prepared by the Federal Respondents wherein they recommended that a hearing before the Supreme Court be denied.

Water Supply Contract negotiations were then discussed. After considerable opposition by the contractors, the Bureau of Reclamation changed its requirements for the water needs analysis which would greatly reduce the amount of work needed to get the same results. One option was to use the 1996 data from districts' water conservation plans, which OCID elected to use. Crop projections for year 2025 would remain a requirement for submittal to the Bureau to complete their analysis prior to the start on negotiations.

A discussion was then held to establish guidelines for handling request to upsize metered deliveries. After discussion, the Board set as initial guidelines that technical reviews be made by District staff to determine whether the change would serve the intentions of the applicant and, if so, the request to be brought to the Board for final consideration.

Regarding Water Program Software, it was reported to the Board that other than scheduling demonstrations, no other progress had been made.

A status report was then given on the District's proposed AFRP project. OCID had met with the Bureau of Reclamation on February 23. They remain very supportive of the project but did not feel we would get the same support from US Fish and Wildlife Service. USBR felt the plan and environmental assessment document should be released as soon as possible. It was mutually agreed that a public meeting should be held on or near March 8 in the Los Molinos area. This

meeting was scheduled to coincide with the release of environmental assessment and plan document. Meetings were then held with a committee of the Los Molinos Mutual Water Company. They stated they were not familiar with the plan although it had been in the hands of their manager for some time. They were also very concerned about the local politics and did not want to hold a local meeting until some of the issues were dealt with. OCID could not get representatives of the Company to agree to any particular schedule.

Discussion continued regarding exchange of land for the System 8 reservoir. Director Orlopp excused himself for this discussion. Manager Chandler reported that Ron Orlopp offered the land on a sale basis of \$4500 per acre and suggested that interest be granted for the period since the reservoir was constructed. The total amount being approximately \$25,000. After discussion, the Board felt the land should be valued more in the area of \$4,000 per acre and that interest should not be paid since Mr. Orlopp would have been entitled to water on the property to be annexed into the District. The counter offer was to be made accordingly.

Mr. Zacarias Gonzalez appeared before the Board on behalf of the City of Orange Cove. Mr. Gonzalez was invited to the Board Meeting to explain the recently noticed "Enterprise Community" designation granted the City. Mr. Gonzalez explained that the designation was the only one in the State of California. This put the City first in line for funding through federal incentive programs. Mr. Gonzalez explained further some of the City's goals to create more diverse jobs in the community.

A discussion was then held in consideration of supporting Mr. Ed Waldron for the ACWA/JPIA Executive Committee. After discussion, Director Bailey offered a resolution to support Mr. Waldron. The resolution was seconded by Director Brown and unanimously approved by the Board.

Under Personnel, discussion was tabled to the next regular meeting of the Board regarding salary adjustment for the District Manager.

With no further business to discuss, the meeting was adjourned at 3:37 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary



Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday April 14, 1999. 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  
Henry A. Collin III  
David A. Brown

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

Others: Harvey R. Williams, Consultant  
Jon Chessum, Baker, Peterson & Franklin

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

The bills totaling \$273,759.93 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other activities in the Accounting Department. There was little change in the delinquency report from last month. Status reports were given on the 12-21kv upgrade for the Friant Fishwater Release Hydro and the SCADA system installation. It was also reported that that the Corrin claim had been denied, the District entered into agreement with Arvin-Edison WSD to use OCID's carryover supply (6700 AF) to fulfill its obligation to sell 5000 acre feet of 1999 Class I supply to AEWS. The first 5000 acre feet was sold at 1999 Class I rate with the balance sold at 1998 Class I rate plus carryover cost. Other related issues were reported on.

A status report was then given on the Water Supply Contract litigation and Friant's efforts to negotiate a settlement with NRDC. An overview of the March 18 and April 1 sessions were given by Director Bailey and Manager Chandler with reference to Counsel Sexton's report for details. It was also reported that the next sessions was scheduled for the following day, April 15, and was to be held in Oakland.

Water Supply Contract negotiations were then discussed. Various meetings were held over the last month to discuss issues including whether the contract entities (districts) should enter into negotiations especially with the NEPA compliance not complete and without a policy position by the Bureau. Without the foregoing items complete, there are concerns that the contracts, if completed, may have to be reopened for changes. The consensus is that the negotiations need to move forward slowly.

Under Water Program Software, it was reported that Harvey Williams was going to demonstrate the Shafter-Wasco program developed by Cal Poly and Advanced Professional Services were scheduled to demonstrate their Storm program. The District will evaluate the option and prepare a recommendation in the near future.

A discussion was then in consideration of the District's participation in the general membership of the Friant Water Users Authority and payment of the call for funds. After discussion, Director Brown offered a motion to continue the membership and pay the fund call. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Discussion then continued regarding the District's proposed AFRP. Progress had been slow since the District was waiting on the Mill Creek Association's position on whether to participate which was a condition of LMMWC. Buck Jones, President of the Association, indicated an interest in participating but did not feel other members would do the same. This leaves a lot of uncertainty since Mr. Jones has his water leased for fishery purposes in Mill Creek at this time. A meeting with the Association was to be scheduled in the near future.

A discussion was then held regarding a request from Mr. Vicente Soto to change his 4 inch metered delivery to a 6 in delivery. His stated reason was for a flow delivery of 1000 gpm on his 37 acre ranch. The flow requested is unusually high for the acreage served plus it potentially sets a precedence which could threaten the operational integrity of the system as designed. After discussion, Director Orlopp offered a motion to deny the request. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under Reservoir Land Exchange, The Board was informed that their counter offer had been presented to Mr. Ron Orlopp. Mr. Orlopp felt there was a lack of understanding on some of the issues and requested to appear before the Board to discussion. Since he was unable to make the April meeting, he requested that the matter be continued to the May Board meeting.

A discussion was then held regarding a request from Bighorn-Desert View Water Agency for legal expense assistance for a determination on Proposition 218. No action was taken since the Board was not in favor of providing financial support.

Discussion then continued regarding a salary adjustment for Manager Chandler and the method by which it would be provide. Mr. Jon Chessum presented an overview of different option to do a deferred compensation plan including whether the plan be funded or unfunded. After discussion, Director Collin offered a motion to proceed by referring the matter to the Personnel Committee to work out the details with Mr. Chessum for preparation of a draft document. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 2:40 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Thursday, May 12, 1999. 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  
Henry A. Collin III  
David A. Brown

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

Others: Harvey R. Williams, Consultant  
Jon Chessum, Baker, Peterson & Franklin

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

The bills totaling \$347,324.25 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other activities in the Accounting Department including the maximum remaining potential liability for the rehabilitation employment benefits. Status reports were given on the installation of the District's SCADA system and that the Fishwater Release Hydro was again operational. Director reports were given on various activities including the ACWA Conference.

Under Water Supply Contract Litigation, Director Bailey reported on the negotiations with NRDC. The last meeting being held in LaGrange for a briefing on the Tuolumne River restoration work. The impetus of the meeting was to do a pilot project this year which would require in excess of 40,000 acre feet of water released down the River. The Friant group continued to push for the assurances that such a project would not cause a loss of water to the Friant districts as well as no additional costs.

Water Supply Contract negotiations were then discussed. Still of major concern is whether the timing is right to start negotiations considering the status of the PEIS and other matters. Groups were put together to start addressing issues so everyone would be ready for negotiations should they proceed.

Discussions then continued regarding the District's need to update the water program software. Controller Ramirez reported that various options that had been looked at but recommended the PCS proposal since it was the easiest and most cost effective means for the District to upgrade the current program and make it Y2K compatible. The projected cost would not exceed \$8,250 and would include transfer of the existing records to a converted program. After discussion, Director Collin offered a motion to approve the recommendation. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held in consideration of a resolution to order and consolidate the upcoming District's election. After discussion, Director Collin offered a motion to order and support the consolidation for the election. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The 1998 Audit was then discussed. Mr. Jon Chessum was present to review the document and answer questions should they arise regarding the audit report. After discussion, Director Collin

offered a motion to accept the report. The motion was seconded by Director Brown and unanimously approved by the Board.

Discussion then continued regarding the District's proposed AFRP. The scheduled meeting with the Mill Creek Associations had been postponed so no progress had been made in that area. It had also become quite evident that the USFWS did not understand the District's proposed program and was needed with them as soon as possible. A plan of action was then discussed with a project schedule and decisions to be made regarding the project. The Board again emphasized that the project was being drawn out too long and needed to come to final decision in the very near future.

Under Reservoir Land Exchange, Mr. Ron Orlopp appeared before the Board to discuss the value issue and his understanding of the land exchange proposal when it was made by the District. After thorough discussion, Mr. Ron Orlopp offered to settle by splitting the difference in value. Feeling the offer was reasonable, Director Brown offered a motion to accept the compromise offer by Mr. Orlopp. The motion was seconded by Director Collin and unanimously approved by the Board.

Under the Kings River Siphon, It was reported that a party was investigating the purchase of the project which included the possible buyout of the District's interest. Since no proposal had been received, there was no discussion.

Discussion then continued regarding a salary adjustment for Manager Chandler under a deferred compensation method. Mr. Jon Chessum reported that he encountered some questionable language in the law that he needed further research before proceeding. The discussions were therefore tabled for future meetings of the Board.

With no further business to discuss, the meeting was adjourned at 3:28 P.M.

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Richard D. McFarlin, President

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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, 1999. The Meeting was called to order at 11:48 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler  
Engineer-Manager-Secretary  
Robert T. 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 Brown offered a motion to approve the minutes. The motion was seconded by Director Bailey and unanimously approved by the Board.

The bills totaling \$261,143.02 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other activities in the Accounting Department. Reports were also given on the correspondence between Counsel Meith and Roger Norton's counsel and the slight increase in water rates with the final rate determination for the 1999 water rates by the Bureau.

Under Water Supply Contract Litigation, Director Bailey reported on the negotiations with NRDC. It was also reported that the Supreme Court denied hearing the District's contract case. Legal fees were awarded to the plaintiffs, which include payment from non-federal defendants. Who pays and the amounts remain to be worked out.

Water Supply Contract negotiations were then discussed. The CVP group continues to look at the various issues with the Friant group taking the lead on most issues. The "Right to Renew" issue remains one of the more concerning. There are also questions whether the timing is right to start negotiations.

Controller Ramirez then reported on the District's water software program upgrade. The revisions had been made to the software and installed on the new computer system. Testing of the program would commence as soon as possible.

Under Personnel, a discussion was held regarding employee performance, salary, benefits and cost-of-living changes. A salary/benefits survey was reviewed with the Board for consideration of salary adjustment. After discussion and in consideration of comparable positions. Director Collin offered a motion to adjust the monthly salaries as follows:

<u>Position</u>	<u>From</u>	<u>To</u>
Controller	\$4,500	\$4,700
Accounting Clerk	\$1,800	\$2,000
Administrative Secretary	\$2,600	\$2,700
Field Ops Staff	\$3,500	\$3,700

The motion was seconded by Director Bailey and unanimously approved by the Board. The salary adjustments are to commence July 1, 1999.

Discussion then continued regarding the District's proposed AFRP. Reports were given meeting with USFWS, USBR and other interested parties including the presentation before the Restoration Round Table. The meeting with USFWS on May 21, 1999 seem to clarify a lot of misunderstandings they had about the project and, as such, seem to be much more supportive of the District's efforts. The agencies felt that a site showing would be very beneficial.

With no farther business to discuss, the meeting was adjourned at 3:28 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, July 14, 1999. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler  
Engineer-Manager-Secretary

Absent: James O. Orlopp

President McFarlin asked if there were any changes to the agenda. Manager Chandler suggested that an agenda item be added to discuss the Tarbell letter. Director Collin offered a motion to add the item to the agenda. The motion was seconded by Director Brown and unanimously approved by the Board.

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

The bills totaling \$288,463.46 were then discussed. After discussion, Director Bailey offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

The James Tarbell letter was then discussed. Mr. Tarbell requested a waiver of Board policy regarding full payment on all property in order to get water on any parcel due to hardship brought on by the 1998 freeze. After discussion, Director Collin offered a motion to approve the request through October 1999 due to the hardship condition. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under the Monthly Report, various items were discussed or reported on including the support letter for the Mill Creek project, the Sumner Peck letter seeking long-term water, water usage to date the SCADA system and other related matters. Director Bailey reported on CVPWA activities. It was also reported that the District had 30 applicants for the Accounting Clerk position.

Under Water Supply Contract Litigation, Director Bailey reported on the negotiations with NRDC and the pilot project to release water down the San Joaquin River to establish and water riparian habitat. It was also reported that discussion continue over legal fees and the amounts to be paid by government and the non-federal defendants.

Water Supply Contract negotiations were then discussed. The CVP group continues to look at the various issues including whether the time is right to enter long-term renewal

discussions.

A report was then given on the upgrade for the District's water software. Testing was underway which had already detected some changes needing to be made. Testing will not be delayed while waiting for the changes to be made. It currently appears that the District will be able to transition from the old program to the new without a lot of difficulty.

The FWUA Call for Funds and participation in the organization was discussed and approved in a previous meeting therefore, no further discussion was held.

Discussion then continued regarding the District's proposed AFRP. Reports were given on the two negotiation sessions held with USFWS & USBR. The District disclosed its offer to provide immediate enhancement and make a long-term fix determination. The Agencies appear enthused about the project but provided very little feedback in terms of value.

Under Personnel, Joe Lea's performance and salary was discussed in consideration of a salary adjustment due to his willingness to stay employed with the District to help finalize land easements. Mr. Lea works an average of two days per week and receives no benefits. After discussion, Director Brown offered a motion to increase Mr. Lea's hourly rate by 5 percent. The motion was seconded by Director Bailey and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 1:50 P.M.

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Richard D. McFarlin, President

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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, 1999. The Meeting was called to order at 11:39 A.M., with the following Directors and Officers present:

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

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

Others: Harvey R. Williams, Consultant  
Jon Chessum, Baker, Peterson & Franklin

Absent: Henry A. Collin III

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 Bailey 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 \$751,002.92 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, Controller Ramirez reported on various activities of the Accounting Department. The District's water usage was then discussed. Water usage year-to-date was very low and created concerns both monetarily for the year and from the standpoint of contract renewal quantities. After discussion, the Board directed staff to send a letter to District landowners reminding them of the importance to use District water when available.

Water rate changes were also discussed. Restoration and Friant Surcharge fee increases will commence October 1, 1999. The Restoration fee will increase from \$6.98 to \$7.10 while Friant Surcharge fee jumps from \$5.00 to \$7.00. Various other water related issues were discussed.

Under Water Supply Contract Litigation, Director Bailey reported on the latest activities of the negotiations with NRDC and the next session scheduled for August 17. Settlement fees for the litigation was also discussed which, a significant part will have to be paid by the non-federal defendants.

Under the water Supply Contract negotiations, a discussion was held regarding the position the Government (USBR) was taking on renewal contracts. A spokes person from the Bureau's Washington DC office informed the contractors August 11 in a meeting held in Sacramento that long-term contract negotiations would commence very soon and be completed in time for implementation March 2000. The Bureau was totally insensitive to contractor concerns.

Controller Ramirez then reported on the District's water software conversion for Y2K compliance. Testing was underway with some minor problems encountered which should not be difficult to remedy.

A discussion was then held regarding the purchase of a computer for dedicated service for the SCADA System. A quote from Gateway priced the machine just under \$2000, which seemed high for the type of equipment needed. Manager Chandler offered to evaluate alternates before making a recommendation to the Board.

The brief review of the draft budget for year 2000 was then made in preparation for full review at the September Board meeting.

Discussion then continued regarding the District's proposed AFRP. Reports were given on the ongoing activities and the unfortunate cancellation of the Agencies' Director meeting where Agency direction was being sought. The District and the Bureau of Reclamation was nearing completion of the environmental assessment document. The finding was no significant effect on the environment and therefore recommended the preparation of a Negative Declaration. After discussion, Director Bailey offered a motion to accept staff's recommendation and authorization for the filing of the Notice of Preparation of Negative Declaration. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Personnel, discussion continued on providing a non-qualified deferred compensation plan for Manager Chandler. Mr. Jon Chessum, Baker, Peterson & Franklin, provided an overview of the arrangements for the plan. After discussion, the Board requested that an agreement be drafted for Board review for the September Board meeting.

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

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 8, 1999. The Meeting was called to order at 11:43 A.M., with the following Directors and Officers present:

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

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

Others: Harvey R. Williams, Consultant

President McFarlin asked if there were any changes to the agenda. Controller Ramirez ask that the Board hear and consider closing the Rehabilitation Project. Director Orlopp offered a motion to place the item on the agenda. The item 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. Director Brown offered a motion to approve the minutes as mailed. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The bills totaling \$501,410.76 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 Public Input, Roger Norton appeared before the Board to express his dissatisfaction over the District's pipeline being placed on his property. However, Mr. Norton offered a solution to the problem that included replacing some soil that was left on the edge of the roadway, straightening a road culvert and the straightening a disc tong. After discussion, the Board directed Manager Chandler to resolve the matter in the best manner possible.

Under the Monthly Report, Controller Ramirez reported on the 1999 budget standings, delinquencies and various activities of the Accounting Department. The District's water usage and various other related items were discussed.

Closure of the Rehabilitation Project was then discussed. Controller Ramirez reported that the only related activity that was ongoing was the part time work on easements. Closure of the project would permit the start of depreciation calculations rather than reporting construction in progress with little activity. After discussion, Director Collin offered a motion to close the project. The motion seconded by Director Bailey and unanimously approved by the Board.

The year 2000 Budget was then discussed. After discussion, Director Orlopp offered a motion to approve the administration budget and set the Standby Rate at \$64.90. The motion was seconded by Director Bailey.

The Regular Meeting of the Board was recessed at 2:30 P.M. and the Board convened as the Board of Equalization. In that no person or persons appeared before the Board, the Board of Equalization was adjourned at 2:37 P.M.

Reports were then given regarding contract litigation and the efforts to settle through mitigation on the San Joaquin River. Also discussed were the types of assurances the Friant group was trying to get and settlement of attorney fees for the litigation that NRDC prevailed on.

Under the water Supply Contract negotiations, a discussion was held regarding the efforts by the contractors to reach a compromise position with the Bureau of Reclamation in that the Bureau's position presented an unreasonable timeframe for the detail discussions needed on a lot of the issues.

Controller Ramirez then reported on the District's water software conversion for Y2K compliance. Testing was still underway with problems being corrected as encountered.

A discussion continued regarding the need to purchase a computer for dedicated service to the SCADA System. Engineer-Manager Chandler was working on a quote from Dell but all details had not been worked out and, therefore, asked for approval not to exceed \$2000. Director Bailey offered a motion to approve the purchase not to exceed \$2000. The Motion was seconded by Director Brown and unanimously approved by the Board.

Discussion then continued regarding the District's proposed AFRP. Reports were given on the ongoing activities and the Agencies valuing of the proposed project. The Agencies valued the project between \$225,000 to \$275,00 per year for a ten-year period. This is far below cost to do the project whether it is done by OCID or the Agencies. A more formal review of the Agencies' valuing process was scheduled for September 17 in Sacramento.

A discussion was then held in consideration of adopting a resolution to file liens against property owners with delinquent accounts. After discussion, Director Brown offered a motion to adopt the resolution to file liens. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The Ketscher Drive repair was then discussed. Repairs had been approved by the Board previously but Mrs. Ketscher did not want to do the repair until the 1 North System upgrade or the necessary work on the 180 crossing was completed in order not to damage the drive again. The District replaced the 180 crossing pipe and Mrs. Ketscher got an updated estimate for repair. The estimate was for asphalt rather than as oiled surface which existed and taken into consideration for Board action. After discussion, the Board directed Manager Chandler to offer one half of the estimate (\$1800) as settlement for District damages.

Under Personnel, discussion continued on providing a non-qualified deferred compensation plan for Manager Chandler. A draft agreement had been drawn up by Counsel Meith but was awaiting review by Baker, Peterson & Franklin for compliance with the tax code

With no further business to discuss, the meeting was adjourned at 3:42 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held Wednesday, September 15, 1999.

The Meeting was called to order at 3:08 PM with the following Directors and Officers present:

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

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

Others: Harvey R. Williams, Consultant

Absent: James O. Orlopp, Vice President  
Henry A. Collin, III

Manager Chandler explained the purpose of the meeting was to review the valuing process and look at alternatives should negotiations continue at the meeting with agency representatives on September 17.

The value the Agencies were willing to allow for the project would not come close to covering District cost. From our understanding, the analysis is flawed in several areas such as spot market pricing for water, crediting only the water that was saved from consumptive use rather than protected for environmental purposes, and basically, no value for protection & enhancement a native species salmon. There may not be the willingness to negotiate a fair value for the project since the Regional Directors of both the Bureau and the Service have agreed on staff's valuing of the project. As such, the District needs to raise the political awareness that projects done by districts do not receive comparable value for the fees paid.

Alternatives were discussed on continuing the process including an economic analysis by a person trained environmental economics. Sandra Archibald had been contacted who currently teaches Resource and Environmental Economics at the University of Minnesota (formerly at Stanford University, California). Sandra has extensive knowledge of California water issues and CVPIA. She will be in California on the 17th and is very interested in attending the meeting with the Agency people.

Negotiating positions were also discussed wherein the preferable position was defined with alternatives a fallback positions.

With no further business to discuss, the meeting was adjourned at 4:40 PM.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 13, 1999. 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  
David A. Brown

Officers: James C. Chandler  
Engineer-Manager-Secretary

Others: Harvey R. Williams, Consultant

Absent: Henry A. Collin, III  
Robert T. Ramirez  
Controller/Treasurer

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

President McFarlin then asked if there were any errors or omissions to the minutes of the Regular meeting of Board held September 8 or the Special meeting of the Board held September 15, 1999. Director Orlopp offered a motion to approve the minutes of the Regular Board meeting. The motion was seconded by Director Brown and unanimously approved by the Board. Director Brown then offered a motion to approve the minutes of the Special meeting of the Board. The motion was seconded by Director Bailey and approved by the Board.

The bills totaling \$564,476.07 were then discussed. After discussion, Director Bailey offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Report, reports prepared by Controller Ramirez were reviewed. Various other activities such as water use for the month, Canal dewatering and annual energy production were also discussed.

Under the Water Supply Contract Litigation, discussion was held regarding the Work Plan to achieve mutual goals, the assurance agreement and, Judge Karlton's decision to issue a stay order through December 31, 2000 for the parties to work toward resolution of the dispute over Contract Renewal.

A report was then given on the Water Supply Contract Renewal. The Bureau of Reclamation was holding a series of workshops explaining their position on the renewal process and items the contractors could expect to see in the contracts. Several new concepts are being pushed which include Category 1 & 2 water, which seems to replace tiered pricing provision of CVPIA, but is not consistent with the Law. The Bureau is also holding firm on their position that the contracts may be renewed after the first 25-year period. These hard-line positions will make negotiations extremely difficult if not impossible.

The Friant Water Users Authority draft budget was then discussed. The budget was held pretty much in line with the previous two years and probably as close to minimum as could be considering the challenges facing the Authorities membership. After discussion, Director Bailey offered a motion to approve the budget and the first call for funds. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A written status report prepared by Controller Ramirez for the upgrade of the District's water software was reviewed with the Board.

The 1-North system upgrade was then discussed. Mr. Ralph Madrigal appeared before the Board on behalf of Keller & Wegley Consulting Engineers to discuss the project. Mr. Madrigal explained the plan and the cost estimate but was unable to explain whether the disputes over

water allocations carried over from the landowner association would be resolved with current design. The matter was tabled for a future meeting.

The easement settlement with Mr. Roger Norton and the cost for pipeline damages was then discussed. Mr. Norton was present for the discussion. Mr. Norton had filed for a location marking of the District's pipeline before digging in the area. He dug and hit the District's pipeline causing damage but claimed the area was not marked. However, the District had on file the USA report referenced to which showed to be marked. Discussion centered on giving Mr. Norton an option of either paying the bill or applying the cost to the easement and signing the easement. Mr. Norton said he would not sign an easement for the District and left the meeting shortly thereafter. After further discussion, Director Bailey offered a motion to formalize the offer in writing and let it be Mr. Norton's decision whether to pay or sign an easement. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Discussion then continued on the District's effort to fund an AFRP project. The District was making an effort rally political support to overcome an offer by the Agencies that was far below the cost of any of the work they were doing. Based on the six-year plan to be presented to congress, there was no effort by the Agencies to do anything other than buy riparian easements even the AFRP defines water acquisition the top priority. Furthermore, the offer was so ridiculously low, it was evident they did not want stakeholders involved in the restoration program.

A call to support the Water Awareness Campaign was then discussed. After discussion, the Board elected not to participate.

Under Personnel, it was reported that Counsel Meith was waiting for more input from Baker, Peterson & Franklin's office to finalize the deferred compensation agreement for Manager Chandler.

With no further business to discuss, the meeting was adjourned at 3:24 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 10, 1999. 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  
Harvey A. Bailey  
David A. Brown

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

Others: Harvey R. Williams, Consultant

Absent: Henry A. Collin, III

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

The bills totaling \$392,728.84 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, delinquencies and various other activities in the Accounting Department. Water use, Canal drawdown, projected water rates for year 2000 and various other related issues were also discussed.

Under the Water Supply Contract Litigation, FWUA and NRDC continue to work toward funding of the San Joaquin River work Plan. No additional negotiations sessions had been held.

A report was then given on the Water Supply Contract Renewal. The Bureau of Reclamation's draft contract had been issued for contractor review. The contract contained language on the Right-to-Renew and Category I and Category II water which the contractors had told the Bureau would not be a starting position for negotiations. Other issues such as the Authority's Public Awareness program for the renewal issues were also discussed. The first contract negotiation date is scheduled for December 8, 1999.

The AUL Deferred Compensation Plan was then discussed. It was necessary to modify the plan for compliance with the IRS Code. After discussion, Director Orlopp offered a motion to approve the changes. The motion was seconded by Director Brown and unanimously approved by the Board.

The District's water software upgrade was then discussed. Controller Ramirez reported the upgrade to be complete and successfully passed the latest meter reading entry test. The program would be tested again with the final meter readings for the year and if no errors appear, the conversion will be deemed complete.

The 1-North system upgrade was then discussed. Mr. Dennis Keller appeared before the Board to discuss the project. Mr. Keller explained that the plan was to provide this system with comparable flexibility as the OCID systems except the Crawford Lateral would not be modified. The Crawford Lateral still had issues that needed to be resolved between landowners. Engineer-Manager Chandler offered to meet with the landowners on those issues. Mr. Keller also confirmed that the pipe purchased for the project that would not be used due to redesign would be considered cost associated with the project unless it can be sold elsewhere. After discussion, Director Bailey offered a motion to approve the project as proposed. The motion was seconded by Director Brown and unanimously approved by the Board.



The easement settlement with Mr. Roger Norton and the cost for pipeline damages was then discussed. It was reported that a letter had been sent to Mr. Norton notifying him of the Board's decision at the October meeting but no response had been received. Director Brown informed the Board that he had attempted to contact Mr. Norton to determine his position before the Board makes its final decision. The Board then agreed to table the matter until the December Board meeting.

Discussion then continued on the District's effort to fund an AFRP project. The District had sent letters to both the Bureau of Reclamation and Fish and Wildlife Service in an attempt to get the project back on course. The District was also working through CVPWA to get congressional support for the project. The Agencies seem to be hung up on how to value or what value they are willing to permit for a stakeholder to do the project. On a comparative basis, their current valuing of the project is about 25 percent of their lowest cost project. Other strategies were discussed to get the project moving forward.

Under Personnel, The revised deferred compensated agreement was discussed. Manager Chandler suggested a minor revision to death benefit section and the need to follow up with Baker, Peterson & Franklin's office to see if they are in agreement with the current format. Efforts are to get the agreement in final form for Board decision at the regular meeting of the Board in December.

With no further business to discuss, the meeting was adjourned at 3:50 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, December 8, 1999. 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  
Robert T. 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 called for election of officers. Director Bailey offered a motion to retain the current officers. 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. Director Orlopp offered a motion to approve the minutes as prepared. The motion was seconded by Director Brown and unanimously approved by the Board.

The bills totaling \$298,206.40 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. Manager Chandler then asked for authorization to expend up to \$3200 from the budget to purchase a pipeline locator, flowmeter head calibrator and a lawn mower. After discussion, Director Collin offered a motion to approve the purchases. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Public Input, Mr. Steve Bradley appeared before the Board to discuss the District's Standby Charges. He stated that he purchased land within the District and didn't know until escrow closed that there were standby charges on the land. Furthermore, he thought the charges were for only one year. Apparently, Mr. Bradley did not have full disclosure on the property and it was suggested that he may want revisit those issues with the seller and the title company. Mr. Bradley stated that he did not plan to use District water and was informed that the District maintains a list of clients that either want to sell their allocation of water or buy someone else's allocation. Some people that don't want to use their allocation have elected to transfer or sell their allocation to recover some or all of their Standby cost.

Controller Ramirez then presented the monthly report for the accounting department which

included the financial standing of the District, delinquencies, the Kings River Hydro performance and various other activities in the Accounting Department. Manager Chandler then reported on various operational issues including the need to consider electrical load management based on projections made at the ACWA conference.

Under the Water Supply Contract Litigation, FWUA and NRDC continue to work toward funding of the San Joaquin River work Plan. No additional negotiations sessions had been held.

A report was then given on the Water Supply Contract Renewal. The Bureau of Reclamation had scheduled the negotiation meeting to start this date but was canceled at the last minute because they had not properly notice the meeting nor given the assurance the Environmental Assessment document was complete. The first meeting was rescheduled for December 15<sup>th</sup>.

The Regular Board Meeting was then recessed at 1:15 P. M. to hold the meeting of the OCID Financial Corporation.

The regular meeting of the Board reconvened at 1:28 P. M. and Controller Ramirez reported that the water software conversion was complete and performing satisfactory.

The easement settlement with Mr. Roger Norton and the cost for pipeline damages was then discussed. Mr. Norton had not responded to the District's letter providing him the option to sign an easement or pay the bill for pipeline damages. The Board elected to give Mr. Norton additional time to respond.

Discussion then continued on the District's effort to fund an AFRP project. Reports were given on meeting with the Bureau at the ACWA, discussion with Fish and Wildlife staff and Congressman Dooley in regards to the proposed project. The Bureau of Reclamation staff assure the District that they would contact the District to continue discussions on the project. Also discussed was the need to issue a newsletter to increase the awareness of the District's efforts to do the project and keep others informed of our progress. A sample draft newsletter was reviewed with the Board and cost to print and mail depending on the number of pages printed in color. After discussion, Director Collin offered a motion to print and issue the newsletter with only the outside pages in color. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under OCID Boundary Reorganization, a discussion was held to determine how best to address policy issues of some landowners wanting to get out of the District and others wanting to come in. The District has no written policy on this matter but, in the past, used certain criteria such as contiguous to the District boundary, keeping the District acreage as close as possible to the existing acreage and payment of certain back charges to annex to the District. After discussion, it was agreed we should first identify all of the issues possible, then expound each issue to the point that reasonable decisions can be made to formulate good policy and guidelines to address the issue(s).

Under Personnel, the deferred compensated agreement between the District and Manager Chandler was again discussed. It was reported that Manager Chandler had confirmed with Baker, Peterson & Franklin's office that all of their comments had been incorporated into the agreement. After discussion, Director Bailey offered a motion to approve the agreement subject to external review (agreed to be Valley Employers or an attorney recommended by Valley

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

With no further business to discuss, the meeting was adjourned at 3:42 P.M.

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Richard D. McFarlin, President

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James C. Chandler, Secretary