

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 12, 2000. The Meeting was called to order at 11:38 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler
Engineer-Manager-Secretary
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. 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 \$243,498.79 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.

Controller Ramirez then presented the monthly report for the accounting department which included the financial standing of the District, delinquencies and various other activities in the Accounting Department. Manager Chandler then reported on various operational issues including the rewatering of the Friant-Kern Canal, ACWA-USA issuance of an RFP for electrical power and Proposition 13.

Under the Water Supply Contract Litigation, Director Bailey reported on the last negotiation session between FWUA and NRDC with their continued work toward funding of the San Joaquin River Work Plan and discussion on attorney fees. Reports were also given on the Water Supply Contract Renewal. A CVP-wide session is scheduled for January 13 & 14 for the Bureau to respond to issues raised by the contractors. The first Friant Division negotiation is scheduled for January 26 in Visalia.

Water Rates for Water Year 2000 and the Rules and Regulations for administering water deliveries was then discussed. A change in the rules was discussed because of the time involved when the District is forced to lock a delivery. After discussion, Director Brown offered a motion to accept the water rates as calculated. The motion was seconded by Director Bailey and unanimously approved by the Board. Director Collin then offered a motion to place a \$100 fee to unlock meters which had been locked by the District due to a rule violation. The motion was seconded by Director Brown and unanimously approved by the Board.

Discussion continued regarding Mr. Roger Norton's damage to the District's pipeline. More particularly, whether Mr. Norton was to be held accountable for the cost to repair the pipeline. After discussion, Director Bailey offered a motion to forgive one-half of the payment provided Mr. Norton would sign a letter agreeing to drop his dispute with the District. 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. A follow-up with Kirk Rogers, Deputy Regional Director for the Bureau, was made to see what the Agencies were waiting on to get back to the District. Kirk suggested another meeting with the agencies to talk process. The meeting was scheduled for Reno at the Water User's Conference. The Agencies seem to struggle with using a concept that relates to valuing the project relative to their cost of getting restoration work implemented.

Under OCID Boundary Reorganization, discussion centered around issues that appear to be driven by the California Water Code for formation of special district dealing with water. Also,

certain issues appear to be driven by the Local Agency Formation Commission, more particularly, the issue that property must be contiguous to district boundary. After discussion, the item was tabled for future discussion with no specific date specified.

A discussion was then held regarding the Fresno County District Attorney's letter alleging that District Manager Chandler violated certain sections of the Health and Safety Code. The matter had been referred to District Counsel, Jeff Meith and Mike Sexton. Counsel Sexton recommended employing the services of Geomatrix of Fresno to provide expert advise on the matter. After discussion, Director Collin offered a motion to employ the services of Geomatrix and to defend the District and Manager Chandler on this matter. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held to consider purchasing the Special Use Facilities for the Friant Fishwater Release Hydro project from PG&E. The cost which at one time was well over \$100,000 had been re-evaluated to be \$4, 081.77 after the power grid conversion from 12 to 21kva. Also, the District had incurred cost from PG&E of \$4,445.53 for the Hydro plant conversion to generate to the 21kva power grid. After discussion, Director Orlopp offered a motion to pay the charges and purchase the Special Use Facility equipment. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held to consider California Farm Water Coalition's request for membership participation. The request participation is 10 cents per cropped acre or \$2680 for OCID. After discussion, the Board elected not to participate.

Under Personnel, Manager Chandler reviewed the response letter from Valley Employers Association. Their only concern being that the anticipated retirement date for the Excess Benefit Plan not be interpreted as a mandatory retirement date. This completed the review requested by the Board as a condition of approval at their regular meeting of the Board December 8, 1999.

With no further business to discuss, the meeting was adjourned at 3:26 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 9, 2000. The Meeting was called to order at 11:35 A.M., with the following Directors and Officers present:

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

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

The bills totaling \$143,078.48 were then discussed. After discussion, Director Orlopp 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 other activities of the Accounting Department. Manager Chandler then reported on the Bureau's first water declaration being 60 percent Class I with a 90 percent chance of meeting or exceeding the declaration. The carryover and banked supplies were also discussed and the 40 cent increase on the District's final water rate schedule for Year 2000 water. Various other issues were discussed.

A discussion was then held regarding settlement discussions with NRDC over attorney fees for the NRDC v. Patterson litigation. Counsel had reported that the settlement discussions had not gone well for the Friant group and that the Friant authorization for settlement offered needed to be raised by at least another \$200,000. After discussion, Director Bailey offered a motion to support raising the settlement offer from \$800,000 to \$1,000,000. The motion was seconded by Director Collin and unanimously approved by the Board. Further discussions were held regarding contract renewal issues, the priorities for contract issues and the apparent more willingness of the Bureau to negotiated language rather than mandate conditions that do not work for the contractor.

A discussion was then held regarding the District's efforts to settle damages to the District's pipeline which had arisen over an easement dispute with Roger Norton. A draft letter was reviewed which reflected the Board's decision to reduce the bill by one-half to settle the issue.

After discussion, the Board approved the letter for mailing with some clarification on the efforts the District has put forth to settle this matter.

Discussion then continued on the District's effort to fund an AFRP project. Reports were given on meeting with the Bureau and the Service at the Water Users Conference in Reno and the follow up negotiation session in Sacramento. The meeting in Reno being very positive toward the project but needed to determine the appropriate means to establish value. However, during the negotiation meeting in Sacramento, to our surprise, Service employees were quite negative toward the project which caused considerable distraction from the negotiation process. This leaves no option other than having the Bureau to re-define the process. Through the assistance of Robert Stackhouse, CVPWA, a meeting is being scheduled with Kirk Rogers, USBR, to attempt to get some resolve on moving the project forward.

A report was then given regarding the County District Attorney's alleged violation of Health and Safety Code. Soil samples were taken for analysis from Manager Chandler's property to determine levels of copper and barium. Those samples would take about two weeks to be analyzed. When the results are available, Counsel Sexton will schedule a meeting with the County DA.

A discussion was then held to determine if the Board was adequately informed on Friant Water User Authority activities. Of particular concern was whether enough information was being provided by the Authority for district board's to understand the issues and provide direction for the district's director on the Authority Board. The Board's position was that they were adequately informed and had full confidence that Director Bailey represents OCID in the best interest possible.

Proposition 13 was then discussed as to whether the District would take a position and recommend a position for the Friant Water Users Authority Board. After Discussion, Director Orlopp offered a motion that OCID and FWUA support the proposition. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Budget Process, Controller Ramirez reviewed some alternatives for transferring some of the District's fixed cost from water to the land. The District will continue to evaluate viable options in attempt to reduce risk of adverse economic impacts for District operations. The District is in the process of determining how other districts allocate cost.

With no further business to discuss, the meeting was adjourned at 2:45 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, March 8, 2000. 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

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 Brown 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 \$363,552.37 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 the financial standing of the District, water sales of only 72 percent of contract supply and other activities of the Accounting Department. Manager Chandler then reported that the Bureau had raised the water declaration from 60 percent to 100 percent Class I and 20 percent Class II. The drastic change from the previous month put carryover water in high risk of spilling with little opportunity to market. Director Bailey then reported on the annual meeting of the Family Farm Alliance and CVPWA activities. Director Brown reported on Friant Power Authority Board meeting.

Attorney Fees for the NRDC vs Patterson litigation was then discussed. A settlement had been reached wherein the United States would pay \$1.4 million, which would be non-reimbursable by the water users, and the Friant water users would pay \$1.0 million as the non-federal defendant. The issue of how to pay was then discussed since some of the members of the Friant group wanted the attorney fees paid on a water basis even though the litigation was paid on the FWUA dues formula. Also discussed was whether payment could be made in one event or over a period of time. After discussion, the Board voiced their position of staying the original litigation fee structure, paying the attorney settlement fees on the same basis and, making a single payment for the District's share of attorney fees. It was also agreed that attorney fees are not accruing while Friant and NRDC are holding settlement discussions.

Under Contract Renewal, the report given at the last FWUA Board Meeting was that the last negotiating session had gone fairly well except for the right-to-renew issue. After almost bringing discussions to an impasse, the Bureau finally agreed to let the contractors draft some language that could be discussed with Secretary Babbitt.

A discussion then continued regarding the District's efforts to settle damages to the District's pipeline, which had arisen over an easement dispute with Roger Norton. Manager Chandler reported that the District had not received any response from the February letter sent to Mr. Norton. The matter was tabled for the next regular meeting of the Board.

Mr. Zacarias Gonzalez, City Administrator, and Mr. Ruben Moreno, Consulting Engineer, appeared before the Board on behalf of the City of Orange Cove to discuss water needs for the City. Messrs. Gonzalez and Moreno explained their program where they are seeking funding to determine alternatives to acquire or develop more water for the City. The program would include investigating the potential for pumping groundwater within the City or on City owned property which would include the sewer property. If it is feasible to develop a reasonable supply by pumping, the City would then want to swap water with the District for water quality purposes.

Discussion then continued on the District's effort to fund an AFRP project. Reports were given on various meetings with the Bureau and the Service regarding the project including the technical meeting the agencies want to subject the project to. The technical meeting is to focus on the biological benefits of the project. If the project receives favorable review from the technical committee, negotiations should continue on project value.

A report was then given regarding the County District Attorney's alleged violation of Health and Safety Code. Manager Chandler and Counsel Sexton met with Deputy District Attorney, Dennis Neudek and others including staff from DTSC to discuss the allegations. Counsel Sexton explained the District's efforts to involve DTSC to provide the District assurance that no mishandling would occur. It was clearly evident the Attorney Neudek was surprised by the District's efforts to involve DTSC and halted the meeting with less than 20 minutes of discussion. Attorney Neudek closed the meeting by stating they had to look into the issue more and would be getting back to the District via Counsel Sexton.

A discussion was then held in consideration of continuing membership in CVPWA. After discussion, Director Bailey offered a motion to continue support. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held to consider joining membership of the Family Water Alliance. The District had not budgeted for this membership and elected to not participate.

Under Budget Process, the District continues to evaluate viable options of where to place cost to reduce risk of adverse economic impacts for District operations. There was no new progress reported at this meeting.

With no further business to discuss, the meeting was adjourned at 2:37 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 Tuesday, April 11, 2000. 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
Randy McFarland, 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 Brown and unanimously approved by the Board.

The bills totaling \$297,881.60 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, reports prepared by Controller Ramirez were reviewed regarding the financial standing of the District and other related activities of the Accounting Department. Also discussed were the late water orders "subject to availability" and whether the District's water supply should be opened since the District has a full contract supply plus carryover and considering water sales of recent years. The Board agreed to open the District's water supply for late purchasers but holding them responsible for late purchase penalties. Manager Chandler then reported on various other District activities. Director Bailey reported on the FWUA Board Meeting and CVPWA activities. Director Brown reported on Friant Power Authority Board meeting.

A discussion was then held regarding a potential shortfall in payment of attorney fees for the NRDC/Patterson litigation settlement. The issue surfaced when some members of the Friant Water Users Authority stated that their districts would not pay the attorney fee settlement cost in accordance with the Authority's dues formula which the case had been litigated on. Most of these districts are willing to pay on the basis of contract water supply. If those districts only pay on the water basis, a shortfall of about \$90,000 of the \$1 million settlement will occur. After discussion, the Board agreed that all districts should be held to the same pay basis that the FWUA Board agreed to undertake the litigation. If some districts elect to pay only on water contract basis or, not pay at all, those costs will be redistributed to all districts that remain general members of the FWUA in accordance with the dues formula.

A discussion was then held in consideration of whether the Friant Water Users Authority should enter into discussion with the Metropolitan Water District for potential water exchanges for water quality purposes. The basic presumption being that the Friant water users may gain monetary benefit while preserving water quality satisfactory for agricultural purposes. The Board agreed that it does not hurt to enter into the discussions as long as the District can monitor and control risk.

Under the Water Supply Contract litigation, it was reported that no further meeting had been held for discussion toward full settlement, which will most likely include some form of restoration work on the San Joaquin River. Under Contract Renewal, it was reported that the drafting committee for the Friant group was nearing completion. The plan is to take the Friant draft to CVP drafting committee to finalize the draft to present to the Bureau. The schedule to deliver a CVP draft is late April or early May.

Discussion then continued regarding Roger Norton's damages to a District pipeline. Manager Chandler reported that the District had not received any response from Mr. Norton but felt that staff should have some direction from the Board for carrying out the District's Rules and Regulations for water delivery while the District tries to resolve the dispute. Director Brown offered again to try to resolve the matter with Mr. Norton before the District initiates the lockout procedure for compliance with the District's Rules and Regulations. The matter was table for the next regularly scheduled Board meeting.

Discussion then continued on the District's effort to fund an AFRP project. At the March 28th meeting with the Bureau of Reclamation and Fish and Wildlife Service, the agencies agreed to fund the water acquisition component of the project at not more than \$450 per acre-foot. They were, however, willing to compute the value of Phase IA, water acquisition, on the full yield of the water rights rather than the yield volume occurring during the fish run periods. A letter confirming the Agencies position was suppose to be delivered to the District by the Board Meeting date. However, the letter was not signed by the USFWS in time for the scheduled deliver date. Discussions were then held to affirm the District's position for the water rights purchases since the options expired April 23 and meetings had been scheduled with the individual water right holders and LMMWC. The Board agreed to the water right purchase of \$90,000 per percent of adjudicated flow plus \$5,000 per percent per year for a ten-year period. In addition, the District would pay an O&M fee to LMMWC to offset losses from the water right sales and a management fee for operations in accordance to project needs. The Board further agreed to be as flexible as possible with payments as long as they did not go beyond 10 years.

Under the County District Attorney's alleged violation of Health and Safety Code, Manager Chandler reported that the District has not received any information from the County DA's office since the meeting in February.

Manager Chandler then reported on the scheduled hearing by the Regional Water Quality Board to consider a Cease and Desist Order against the City of Orange Cove due to violations of their waste discharge permit. The District will have representation at the meeting in case there are issues discussed that could affect District operations.

A discussion was then held in consideration of continuing membership in the Family Farm Alliance for dues of \$1500. After discussion, Director Bailey offered a motion to continue support. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under Budget Process, the District continues to evaluate viable options of where to place cost to reduce risk of adverse economic impacts for District operations. There was no new progress reported at this meeting.

With no further business to discuss, the meeting was adjourned at 2:45 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, May 4, 2000. The Meeting was called to order at 11:45 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler
Engineer-Manager-Secretary
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 as prepared. The motion was seconded by Director Bailey and unanimously approved by the Board.

The bills totaling \$121,603.67 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, Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Reports were also given on water use in the District, the San Joaquin River Pilot Project, water issues associated with the proposed Rio Mesa development in Madera County and the Metropolitan Water District's proposal to discuss water quality exchanges with the Friant districts.

Mr. Jon Chessum, representative of Baker, Peterson & Franklin, LLP, then made a detailed review of the 1999 Financial Audit. Mr. Chessum reported, based on the audit, the District financial records are in compliance of the generally accepted accounting principles and the State Controller's Office and regulations governing special districts. After discussion, Director Brown offered a motion to accept the audit. The motion was seconded by Director Collin and unanimously approved by the Board.

A discussion was then held to consider an amendment to the 401K deferred compensation plan. The amendment which is brought about by a change in the law governing deferred compensation plans, would permit the accrual of unused excess vacation leave into the plan. After discussion, Director Collin offered a motion to approve the amendment with emphasis on the fact that this is not a substitute for using vacation leave. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Reports were then given on the Water Supply Contract litigation and status of the contract renewal efforts.

Discussion then continued regarding Roger Norton's damages to a District pipeline. Director Brown reported on his last meeting with Mr. Norton. Mr. Norton's position remained that he had no intentions of paying the bill for the pipeline damages. After discussion, the Board directed staff to inform Mr. Norton that he is not authorized to take District water until the matter is resolved.

Discussion then continued on the District's effort to fund an AFRP project. Reports were given on the meetings held with the water right holders, Los Molinos Mutual Water Company staff, Tehama County and Calfed. An application will be filed with Calfed to seek funding from their Ecosystem Restoration Project funds to do the monitoring and long-term solution studies for the fishery on Mill Creek. A separate application will be filed with Dick Daniel, Calfed Office, for discretionary funds that could be made available if some of the other sources of funding is not available. The Ecosystem Restoration Project application is due May 15, 2000.

Under the County District Attorney's alleged violation of Health and Safety Code, Manager Chandler reported that the District has not received any information from the County DA's office since the February meeting.

Controller Ramirez then reported on the hearing held by the Regional Water quality Control Board regarding the City of Orange Cove's waste discharge permit. The City's waste discharge permit had been revised on April 28, 2000 and was approved without discussion as an uncontested calendar item.

Under the Orlopp Property Acquisition, a discussion was held to consider acceptance of a deed transferring a portion of the Orlopp Farms property to the District. After discussion, Director Brown offered a motion to accept the transfer. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under Budget Process, the District continues to evaluate viable options of where to place cost to reduce risk of adverse economic impacts for District operations. There was no new progress reported at this meeting.

With no further business to discuss, the meeting was adjourned at 2:30 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 14, 2000. The Meeting was called to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Richard D. McFarlin, President
James O.

Orlopp, Vice President

Henry A. Collin III
David A. Brown

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

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. 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 \$695,819.98 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 other activities in the Accounting Department. Reports were also given on water deliveries through the month of May and the San Joaquin River Water Supply Initiative. Reports were then given on the water supply contract litigation and status of the contract renewal.

Discussion then continued on the District's effort to fund an AFRP project. The District had filed an application with Calfed to seek funding from their Ecosystem Restoration Project funds. The application was rejected on a technicality in that the federal contract forms were not included. The application was resubmitted to the U. S. Fish and Wildlife Service for CVPIA funding. It is our understanding that the application may be placed back into the Calfed process to get the same technical review as the other Calfed applications.

Insurance proposals for the District's liability and workers compensation insurance requirements were reviewed. After discussion, The Board directed staff to accept the best proposals for the District.

The Board reviewed a request from James R. Tarbell to allow water to be delivered to his property with the understanding that he would not be able to make his second installment of Standby fees possibly as late as October 1, 2000. Director Orlopp offered a motion to approve the request as

Discussion then continued regarding Mr. Norton’s failure to respond to the District’s offer to settle the pipeline damage issue. Mr. Norton was issued a letter informing him, as per the District’s Rules and Regulations, that he was not authorized to use District water until the issue is resolved. Again, Mr. Norton has not responded to the District nor has he attempted to take water from any District delivery on his properties.

A discussion was then held regarding the alleged violation of Health and Safety Code for mishandling of hazardous waste material. The Board conferred with Counsel Sexton regarding the District Attorney’s letter stating they intend to pursue charges against the District. Based on the discussion with Counsel Sexton and previous discussions with ACWA/JPIA, the Board felt it best to try to settle with the District Attorney. Director Collin offered a motion authorizing up to \$100,000 to settle the matter. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Personnel, a discussion was held regarding employee performance, salary, and 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 / Treasurer	\$4,700	\$5,040
Accounting Clerk	\$1,800	\$2,000
Administrative Clerk	\$2,000	\$2,000
Field Ops Staff	\$3,700	\$3,836
Engineering Tech	\$18.52/Hr.	\$19.21/Hr.

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

The Tulare County Treasury Oversight Committee Ballot was then discussed. After discussion, the Board elected to take no position as to the people that sit on the committee.

Under the Budget Process, the District continues to evaluate viable options to reduce costs. With no further business to discuss, the meeting was adjourned at 3:50 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, July 14, 2000. The Meeting was called to order at 11:45 A.M., with the following Directors and Officers present:

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

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

Absent: James O. Orlopp, Vice President
David A. Brown

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

The bills totaling \$390,723.75 were then discussed. 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, Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Reports were also given on water use in the District, the San Joaquin River Pilot Project's environmental assessment, water quality partnership with MWD, City of Orange Cove water needs and reclaimed water issues. The Board was also asked to appoint an alternate director for the Friant Power Authority. After Discussion, Director Bailey offered a motion to appoint Director Collin. The motion was seconded by President McFarlin and unanimously approved by the Board

Reports were then given on the Water Supply Contract litigation and status of the contract renewal efforts. The environmental assessment document for the San Joaquin River Pilot program was approved by the Friant Water Users Authority Board as a mitigated plan for the benefit of downstream water users and flood control entity. Under Contract Renewal, it was reported that little progress was made on the significant issues because the Bureau's negotiating team has no authority to negotiate. Instead they spend all their time defending their position. Discussions are continuing on how to get the right people at the table from the federal side to have meaningful discussions.

Discussion then continued on the District's effort to fund an AFRP project. It was reported that John Patrick elected to install his well, pump and irrigation system to stop using his water right allocation. In turn, he is asking for an advance from OCID to pay those cost, totaling a little over \$40,000. After discussion, Director Bailey offered a motion to approve the request. The motion was seconded by Director Collin and unanimously approved y the Board.

A discussion was then held regarding the District's tailwater policy and how to administer the policy. The process for how the District handle complaints was explained in that the District first makes a

personal contact with the individual spilling tailwater. If the problem is not curtailed, a written notice is issued firmly stating District policy. The final step is to stop District delivery of water if rules are not complied with. After discuss, the Board elected to not change the policy and directed staff to continue under its current mode of enforcement.

A discussion was then held to discuss water sales and/or transfers. Under current usage, the District will have surplus water for the current water year. Ivanhoe ID has a need for an additional 1500 acre feet. In addition, there may be other opportunities to sell or bank some of the District's extra supply for the year. After discussion, Director Bailey offered a motion for the District to move some of the surplus supply either by sales or banking. Sales should recover the cost of water, carryover fee and some administration fee. The motion was seconded by Director Collin and unanimously approved by the Board.

A discussion was then held to consider membership in the Family Water Alliance. After discussion, the Board elected to not participate.

Manager Chandler then reported on the pipeline damage by Roger Norton and the District's settlement offer. Mr. Norton has not responded to the District's offer nor has he attempted to use District water. District staff has no indication that Mr. Norton intends to do anything differently as long as he can meet his water demands.

A status report was then given regarding Fresno County's District Attorney. alleged Health and Safety Code violation. President McFarlin, Counsel Sexton, and Manager Chandler met with attorney Daniel O'Hanlon with the firm of Kronick, Moskovitz, Tiedemann and Girard to discuss the issues. Counsel Sexton had already briefed Mr. O'Hanlon and furnished him some of the information. Mr. O'Hanlon appeared very knowledgeable with the type of case. The District agreed that Mr. O'Hanlon should serve as co-counsel for the case due to the potential exposure by the District. Mr. O'Hanlon agreed to prepare a response letter to the County District Attorney. A very detailed letter was prepared and delivered before the due date.

Under Business Issues, a discussion was held to consider the number of signatures needed on checks and other business matters. After discussion, the Board directed the matter tabled for the December Board meeting.

Under Budget Process, a landowner meeting and issues were discussed including alternative means to budget for doing business.

With no further business to discuss, the meeting was adjourned at 3:05 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 9, 2000. 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
Henry A. Collin, III
Harvey A. Bailey
David A. Brown

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

The bills totaling \$461,754.89 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 related activities of the Accounting Department. Reports were also given on water use in the District, water sales and banking, California electric utility deregulation and other issues. Director Bailey reported on Central Valley Project Water Association and Friant Water User Authority issues. Director Collin reported on Friant Power Authority issues. Manager Chandler then asked the Board to approve up to \$1500 for District landscape materials. Director Collin offered a motion to approve \$1500 for the activity. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Reports were then given on the Water Supply Contract litigation and status of the contract renewal efforts. Continuation of the San Joaquin River Pilot program was approved by the Friant Water Users Authority Board, which basically entails water releases from Friant Dam to sustain the Cottonwood and Willow plantings established in the first pilot project. Under Contract Renewal, Regional Director Snow has agreed to get directly involved in the negotiations but wanted to work only with a small group of contractor representatives. Many of the contractors did not support the idea but agreed to see if the process could work. The first meeting was spent mostly on briefing Director Snow on the issues and the differences between the contractors and the agency.

Discussion then continued on the District's effort to fund an AFRP project. The District has drafted the Principles Agreement and is waiting for response from the agencies (USBR & USFWS). LMMWC is still working on the tax issue regarding OCID's payment for the water right. The only method the tax attorney has come up with to date is for OCID to own shares in LMMWC.

Manager Chandler then reported on the pipeline damage by Roger Norton and the District's settlement offer. The status remains unchanged. Mr. Norton has not responded to the District's offer nor has he attempted to use District water. District staff has no indication that Mr. Norton intends to do anything differently as long as he can meet his water demands.

A status report was then given regarding Fresno County's District Attorney alleged Health and Safety Code violation. The case has been put on hold for a period of 6 to 8 weeks while the attorney for the D. A. Office, Dennis Neudek, is off duty for surgery.

A discussion was then held to consider supporting the CALFED-AWMC Cooperative Agreement. After discussion, Director Brown offered a motion to support the agreement. The motion was seconded by Director Collin and unanimously approved by the Board.

Under Budget Process, draft budget alternatives were presented and briefly discussed. Full discussions will be held at the September Board meeting.

With no further business to discuss, the meeting was adjourned at 3:10 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, September 15, 2000. 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
Henry A. Collin, III
Harvey A. Bailey
David A. Brown

Officers: James C. Chandler
Engineer-Manager-Secretary
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. Director Brown 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 \$870,060.19 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 related activities of the Accounting Department. Reports were also given on water use and projections for the remainder of the water season. Director Bailey reported on Central Valley Project Water Association and Friant Water User Authority issues. Other related issues were discussed.

The 2001 budget was then discussed. Costs to the landowner are significantly higher due to the decrease in revenue from the Fishwater Hydroelectric facility. Other concerns included the lack of water use in the District and its impact to the District budget. Several alternatives were discussed including moving more of the District's fixed cost from water to the land. After discussion, Director Bailey offered a motion to adopt a budget and set Standby Rates on the basis of the water be allocated to the land to eliminate revenue shortfalls on water and adverse impacts to the District budget. The motion was seconded by Director Collin and unanimously approved by the Board.

A discussion was then held to consider adopting a resolution to file liens on lands with delinquent accounts. After discussion, Director Orlopp offered a motion to adopt the resolution, which included the process for collection of delinquent accounts. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held to consider whether the landowners receiving reclaimed water should receive water at a reduced cost from the normal rate. After discussion, the Board elected to not change the rate since the benefit, albeit small, should be to all water.

Reports were then given on the Water Supply Contract litigation and status of the contract renewal efforts. Studies are underway to assess both water supply and environmental restoration on the San Joaquin River along with the second year pilot project to supply water to sustain the cottonwood and willow tree revegetation established during the previous year. Under Contract Renewal, the contractors

and the Bureau have worked through many of issues but the bigger issues of right to renew and tiered pricing are still in dispute. Regional discussions are scheduled to begin with the Friant Division during the third week of September.

The District Board of Directors then considered a resolution in opposition to the Westlands Water District filing for water rights on the San Joaquin River where the rights are current fully appropriated. Furthermore, it is the water supply for the districts served by the Friant Division of the CVP. After discussion, Director Collin offered a motion to adopt the resolution. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A status report was then given on the District's effort to fund an AFRP project. The District is still waiting for response from the agencies (USBR & USFWS) on the principles agreement.

A status report was then given regarding Fresno County's District Attorney alleged Health and Safety Code violation. There has been no progress since the case was put on hold for a period of 6 to 8 weeks while the attorney for the D. A. Office, Dennis Neudek, is off duty for surgery.

Director Collin and Manager Chandler then reported on activities of the Friant Power Authority. The Authority is in the process of replacing it's manager but several other issues are being addressed by the Advisory Committee which include how the district providing management services is compensated, staffing at the power plant, organization and activities of the Authority.

The need to upgrade the server computer hard drive was then discussed. The Board requested that staff get more proposals to do the work. After discussion, Director Brown offered a motion to approve the upgrade with staff consideration of alternate proposals. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held to consider a request to waive a cost judgment against Adolfo Martinez. The Board responded with a very emphatic no.

The Regular Board meeting was then recessed at 2:30 PM for the Board convened as the Board of Equalization for the Board of Equalization Hearing. In that no person or persons appeared for the hearing, the Board of Equalization Hearing was adjourned at 2:40 PM.

With no further business to discuss, the meeting was adjourned at 4:42 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 11, 2000. The Meeting was called to order at 11:38 A.M., with the following Directors and Officers present:

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

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

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

The bills totaling \$353,273.62 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 related activities of the Accounting Department including the projected shortfall for the District to meet the covenant for fiscal year 2000. Reports were also given on water use and projections for the remainder of the water season, 2001 water rates and environmental fees. Director Bailey reported on Central Valley Project Water Association and Friant Water User Authority issues including the Westlands filing on San Joaquin River water. Director Collin reported on activities of the Friant Power Authority issues including the selection process for the manager position. Other related issues were discussed.

The revised 2001 budget was then discussed. After discussion, Director Brown offered a motion to adopt a budget and set the Rehab Standby Rate at \$75.72 and the non-rehab Standby Rate at \$16.92. The motion was seconded by Director Bailey and unanimously approved by the Board.

The Water Supply Contract renewal was then discussed. The Friant Divisional negotiations were held October 10th led by Bill Luce, Area Manager for the US Bureau of Reclamation. Early discussion revealed that Mr. Luce had little authority to negotiate. Mr. Luce was able to get a little more authority to negotiate from the Regional Director after the Friant group elected to discontinue discussions if the people present on behalf of the Bureau had no authority to negotiate. Little progress was made even after Mr. Luce got more authority to negotiate.

The Friant Water Users Authority draft budget and Call for Funds were then discussed. The Board's position was that the increase of 24.4 percent was excessive and the current budget needed to remain as close as possible to the 2000 fiscal budget. After further discussion, Director Bailey offered a motion to pay the Call for Funds with the understanding that future calls would be adjusted according to the final budget. The motion was seconded by Director Orlopp and approved on a four-member vote. Director Brown opposed the motion.

Mr. Don Rogers then appeared before the Board to discuss a process offered by Transworld Systems for collection of delinquent accounts. After discussion, Director Bailey offered a motion to approve the proposal for 50 accounts at a cost of \$497.50. The motion was seconded by Director Collin and unanimously approved by the Board.

A status report was then given on the District's effort to fund an AFRP project and the Calfed application for funds to monitor results of the District's program. The District's Calfed review group recommended that the District's application not be funded. However, there was considerable difference of opinion as to the worth of the proposal compared to Calfed needs in that one reviewer rated the project "very good" while the other one rated it "poor". The District has an opportunity to comment on the recommendation and will do so. Manager Chandler then referenced the sale agreement for the water rights and asked for authorization to pay Tim Smith the remainder of the first one-third of their principal. After discussion, Director Orlopp offered a motion to approve the payment. The motion was seconded by Director Bailey and unanimously approved by the Board.

There was no progress to report regarding Fresno County's District Attorney alleged Health and Safety Code violation.

With no further business to discuss, the meeting was adjourned at 3:45 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, November 17, 2000. The Meeting was called to order at 7:12 A.M., with the following Directors and Officers present:

Directors: 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

Absent: Richard D. McFarlin, President

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. Director Collin 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 \$362,705.14 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 related activities of the Accounting Department. Reports were also given on water use and projections to complete the water season. Director Bailey reported on Central Valley Project Water Association and Friant Water User Authority issues including the budget and Westlands issue. Director Collin reported on activities of the Friant Power Authority issues and the selection of Bill Carlisle, Manager for Southern San Joaquin Municipal Utility District, as the new manager FPA. Other related issues were discussed.

A discussion was then held regarding Water Supply Contract Renewal. The Friant group was able to negotiate language that provide fairly good protection for the Friant water supply which was considered a major gain from previous discussions. Other issues such as right to renew, tiered water pricing and 9d conversion was considered major gains also. After further discussion of options, Director Collin offered a motion to accept the contract. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held to consider compliance with CEQA requirements for the Renewal Contract. To be considered was whether to file a negative declaration or an exemption, which was being considered by District Counsel. After discussion, Director Bailey offered a motion to file the document as recommended by District Counsel. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the AFRP Project, a report was given on the recent meeting with the Bureau and the Service in which their legal counsel, Jim Turner, was in attendance. Mr. Turner had no problem with the proposal as presented which should clear the path for getting agreements approved and funding in place.

A report was then given regarding the Fresno County District Attorney alleged Health and Safety Code violation. District Counsel had ask the DA for a status report which turned out to be no progress since the DA had other issues with higher priorities.

Under Collection of Delinquent Bills, Controller Ramirez reported on the results of the District's letter informing landowners of the District's intent and the current status with the collection agency.

Dues for the Association of the California Water Agencies were then discussed. After discussion, the matter was tabled for the next Board meeting.

With no further business to discuss, the meeting was adjourned at 9:38 P.M.

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 December 13, 2000. The Meeting was called to order at 11:44 A.M., with the following Directors and Officers present:

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

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

Others: Stephen Bradley, Landowner

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

President McFarlin called for election of officers. Director Collin offered a motion to reinstate 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 Bailey 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 \$347,038.60 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 Public Input, Mr. Stephen Bradley appeared before the Board again to discuss getting his land out of the District. Mr. Bradley was informed that the Board did not feel it was reasonable nor feasible to start swapping land along the boundary of the District because they could not provide the same opportunity for others within the District that may desire to remove their land. Furthermore, the new water distribution system was installed to serve District lands as they exist now. Mr. Bradley was encouraged to find a buyer for his water allocation, which could help pay his District bills. The process for selling his allocation was explained to him.

Under the Monthly Report, Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Reports were also given on water use and balance left for water year, Renewal Contract issues raised by environmentalist and other related issues. Director Bailey reported on activities of the FWUA including the final fiscal budget, the dues formula, FWUA/MWD partnership agreement and other related issues. Director Brown reported on activities of the FPA including the tour of the plant.

A discussion was then held regarding the 2001 water rates and water allocation policy. Included in the discussion was an effort to reduce the number of different water rates in the District. The rate schedule was tabled to the January Board meeting for additional analysis. Director Brown offered a motion to approve the Water Allocation Policy with the addition of the District Office telephone

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

A discussion was then held regarding electrical power. Since PG&E has petitioned the Public Utility Commission to remove the Rate Cap, electrical energy prices could double or triple for the coming year which would cause considerable hardship for the District and its water users. Discussion with the District PG&E representative indicated that the utility was seeking a PUC approval an average AG Rate of 6.5 to 8.5 cents per kilowatt-hour. Analysis had been run to evaluate alternatives to the normal demand loads, which included load shifting and load shedding. Neither alternative produces a benefit to the District unless the District gets compensated for reducing peak-period load demands.

A report was then given on a recent Manager's Roundtable meeting which was held to brainstorm ideas to optimize the Friant Water Supply and possibly generate revenue to the Friant members. Some of the ideas included participation in the Calfed programs for environmental water and the MWD partnership including the type of participation necessary to make the programs work. A committee was designated to take the lead on some of those activities.

Under the AFRP Project, a report was given on the status of the Principles Agreement, which was waiting on the Bureau's water rights people to complete their analysis on the yield from their OCID purchases. The schedule projected the work to be completed late December and discussion on the Principles Agreement to begin again in early January 2001.

A discussion was then held to consider a claim presented to the District by Roger Norton for alleged damages to his property from a District air vent leak. After discussing the facts from a previous District investigation and photos taken by District staff, Director Bailey offered a motion to deny the claim. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Manager Chandler then reported that the LAFCO application to annex the 10 acres from Riddle Farms for the reservoir exchange land was nearing completion and would be submitted in January. The cost of the application is \$2930 unless the District can get an exception due to its sphere of influence, which would reduce the cost to \$250. The District will request consideration under the sphere of influence.

A report was then given regarding the Fresno County District Attorney alleged Health and Safety Code violation. The DA had reported back to District Counsel that they would accept settlement for the cost of DTSC investigation report which amounted to about \$44,700. After discussion, the Board asked that District Counsel request a cost breakdown for the DTSC report to evaluate its reasonableness.

Dues for the Association of the California Water Agencies were then discussed. After discussion, the Board directed staff to do a benefit analysis of belonging to the Association.

With no further business to discuss, the meeting was adjourned at 3:44 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary