

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday January 10, 2001. 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: Andrew Hensel, 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 Orlopp and unanimously approved by the Board.

The bills totaling \$195,674.01 were then discussed. After discussion, Director Bailey offered a motion to approve the bills. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under Public Input, Mr. Andrew Hensel appeared before the Board to report on some of his irrigation water management activities and some of the equipment he was using. He also left packets to hand out to others with interested in water management activities.

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, power generation and other related issues. Director Bailey reported on activities of the FWUA and the CVPWA. Director Bailey also reported on a meeting with Congressman Dooley, members of the Friant Water Users Authority and farming interest from the Westlands Water District regarding the Westlands petition for water off the San Joaquin River.

Discussion was then continued regarding the 2001 water rates, which included an effort to consolidate or reduce the number of different rates. Analysis for a three-rate and a four-rate system were discussed. After discussion, Director Orlopp offered a motion to adopt the three-rate system setting the rates at \$54, \$61 & \$68. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding water supply contract renewal efforts. Progress had been made working with the environmental community to get to a position where they would not immediately file suit over the Friant group signing the contracts. There were still hopes yet that the contracts could be signed at the Water Users Conference, which would end January 19 2001.

A discussion was then held regarding electrical power. Director Brown and Manager Chandler reported on activities of the Friant Power Authority including the need to better define the goals and objectives of the Authority. A discussion of potential goals was held. After discussion, the Board directed Manager Chandler to forward the OCID list to the Authority. A discussion was also held regarding the District's generation and use and the uncertainty associated with the deregulation and renewed legislative involvement in the industry.

Under the AFRP Project, Manager Chandler reported that a meeting had been scheduled with Regional Director Snow since the process was taking so much time just to get the Principles Agreement approved. It was also reported that Serge Birk had met with other program managers from Calfed and identified other sources of funding that could be used for the project.

A status report was then given regarding the Fresno County District Attorney alleged Health and Safety Code violation. From the District's perspective, there had been no progress since the District was still waiting on documents supporting DTSC's claim for expense investigating the matter.

Dues for the Association of the California Water Agencies were then discussed. After discussion, Director Bailey offered a motion to approve the payment of dues. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Dues for the California Farm Water Coalition were then discussed. The board took no action to approve the dues.

A discussion was then held to ratify the sale of the Vermeer Trencher for \$69,500. After discussion, Director Brown offered a motion to approve the sale. The motion was seconded by Director Bailey and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 3:07 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday February 14, 2001. 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 Williams, Consultant
Karla Purcell, CalPERS Representative

President McFarlin asked if there were any changes to the agenda. Manager Chandler recommended that a new item, "CVPWA Dues", be added because it was timely for the Board to address the issue. Director Orlopp offered a motion to add the agenda item. 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 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 \$105,997.71 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. Manager Chandler reported that the Bureau of Reclamation's water supply declaration for the Friant Unit was 75% for Class I water and OCID had requested a carryover of 4285 acre feet. Director Bailey reported on activities of the Friant Water Users Authority including the agreement with MET, the Central Valley Project Water Association and the Westlands issue. President McFarlin and Director Bailey reported on the meeting with Fresno County Supervisor Judy Case. Other related issues were discussed.

President McFarlin and Manager Chandler then reported on the Water Supply Contract signing by the Friant Districts and the Bureau of Reclamation and, the difficulty in getting a commitment from NRDC not to file a lawsuit with new efforts to invalidate the contracts. At the last minute, NRDC insisted that the Hidden and Buchanan Contracts be subject the same stipulation regardless of whether they were a party to the original Friant litigation.

Under Electrical Power, Director Collin and Manager Chandler reported on activities of the Friant Power Authority including letters received from PG&E stating that they would only make partial payments on energy produced in December and their position that their inability to pay was caused by Force Maguire. OCID's Friant Fishwater Hydro generation statement from PG&E showed earnings of 17.4 cents per KWH but was paid for only 16% of the total earnings in excess of

\$51,330. Also discussed was the State's efforts to bail out the utilities from the financial crisis they now face as a result of the State's directed deregulation and legislation that would fix QF contract prices for energy at 5.37 cents over the next five years in addition to retaining other benefits such as capacity payments in the contract. That legislation coupled with the fact any San Joaquin River Restoration would include more water down the River could provide a very favorable opportunity for the District to develop another generation plant at Friant. After discussion, Director Collin offered a motion to file a water rights application for another 100 cfs and pursue a reconnaissance level study to determine economic feasibility. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under the AFRP Project, a discussion was held regarding the meeting with Regional Director Snow and members of his staff over concerns that the process to get OCID's project proposal approved was not working. The District was informed for the first time that the Bureau had its share of the funds for OCID. Director Snow instructed staff to get the Bureau's work done and fund the project. In later discussions with Bureau staff, they came to the same conclusion as OCID that the Fish and Wildlife Service has made a major effort to kill the project as was done with the component that was submitted for "CALFED" approval. Bureau staff also indicated they were making a major effort to pay the District in two years rather than the originally proposed three-year period.

A status report was then given regarding the Fresno County District Attorney alleged Health and Safety Code violation. From the District's perspective, there had been no progress since the District was still waiting on documents supporting DTSC's claim for expense investigating the matter.

A discussion was then held in consideration of filing an application to annex 10 acres of Riddle Farms land into the District and that there would be no adverse environmental impact as a result of such action. After discussion, Director Brown offered a resolution to file the LAFCO application including the intent to file a negative declaration for CEQA compliance.

Under CalPERS Health Benefit Program, Ms. Karla Purcell appeared before the Board and made a presentation on the CalPERS Health Benefits program. After the presentation and discussion, the Board of Directed requested Ms. Purcell to provide directories for the providers of the plans presented.

A discussion was then held to consider paying dues to the Agricultural Energy Consumers Association. After discussion, Director Bailey offered a motion to approve the dues payment for the amount verified by Controller Ramirez as being correct for OCID. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Dues for the Central Valley Project Water Association was then discussed. After discussion, Director Collin offered a motion to approve the dues in the amount of \$9,955.00. The motion was seconded by Director Bailey and unanimously approved by the Board.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday March 14, 2001. The Meeting was called to order at 11:33 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 Williams, Consultant
Victor Lopez, Mayor, City of Orange Cove
Jose Ramirez, Manager, City of Orange Cove
Valerie Curley, USBR

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

The bills totaling \$438,497.33 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 purchases and other related activities of the Accounting Department. Manager Chandler then reported on an opportunity to sell 5,000 acre feet of water at \$70 per acre foot. After discussion, Director Orlopp offered a motion to sell the water. The motion was seconded by Director Brown and was unanimously approved by the Board. Then discussed was recognition of former Director Stanley Beach through a remembrance donation. Director Orlopp offered a motion for a donation of \$200. The motion was seconded by Director Bailey and unanimously approved by the Board. At the FWUA request, the requirement for "Closed Sessions" under the Brown Act was discussed and, in particular, whether district staff members should be allowed in closed sessions unless they were serving as the voting representative. The consensus of the Board was that they should be permitted to be present in closed session. Director Bailey reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed.

Under Electrical Power, Director Brown reported on activities of the Friant Power Authority including staffing and computer software issues, River Plant offline for Bureau repairs and concerns over non-payment by PG&E. Manager Chandler reported on OCID's Friant Fishwater Hydro generation, the utilities limited payment. Also discussed was the potential for additional generation at Friant Dam and revenue that may be derived from a second power plant.

Under the AFRP Project, a discussion was held regarding issues raised by the Bureau's water rights staff and the meeting with Bureau people on March 8, 2001. Bureau staff later provided a schedule for which indicated they would try to have the water rights issue resolved and a report to management. Consultant Williams reported that the District was successful on its first phase application for the Calfed Water Program. The second step of the application is due April 27, 2001. Controller Ramirez provided a preliminary cash flow analysis based on the water acquisition component being funded as negotiated with payments made on 2 and 3 payment basis.

A discussion was then held regarding the Fresno County District Attorney alleged Health and Safety Code violation and the District's efforts to settle the case. A teleconference was held with attorneys Mike Sexton and Dan O'Hanlon regarding the terms and conditions of the settlement and parties affected. The settlement was for the amount of \$40,000 with the lawsuit/settlement only in the name of the District. After discussion, Director Brown offered a motion to approve the settlement with authorization to Manager Chandler to sign the final document. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held in consideration of serving notice to ACWA/JPIA of the District's intent to withdraw from their property insurance program. After discussion, Director Brown offered a motion to serve the notice of intent. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held in consideration of supporting Roger Galleano, Director from Madera Irrigation District, for the Executive Committee of ACWA/JPIA. After discussion, Director Bailey offered a motion to Support Mr. Galleano. The motion was seconded by Director Brown and unanimously approved by the Board.

Under CalPERS Health Benefit Program, discussion was tabled for the next regular meeting of the Board in attempt to have all Board members present.

A discussion was then held to consider participation in the Water Education Foundation activities. After discussion, the Board elected to not participate.

Under the City of Orange Cove, Mayor Lopez, Manager Ramirez and, Valerie Curley from the Bureau of Reclamation appeared before the Board to discuss water needs for the City and District support for their efforts. The Board and Manager Chandler identified issues that would be sensitive in nature but agreed to support their efforts provided there were negative impacts to the District landowners.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday April 11, 2001. 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
Henry A. Collin, III

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 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 \$260,867.47 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, water purchases and other related activities of the Accounting Department. Manager Chandler then reported on the year 2001 Water Rates, including the tier pricing components, established by the Bureau of Reclamation. Then discussed was Friant Water Users Authority's Policy Principles regarding CalFed. Manager Chandler stated support for the aforementioned Policy Principles. Director Bailey then reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed.

Under Water Supply Contract Validation, a discussion was held regarding a resolution to approve and ratify validation proceedings of the renewal contract. After discussion, Director Orlopp offered a motion to approve a resolution to approve and ratify validation proceedings of the renewal contract. The motion was seconded by Director Bailey and unanimously approved by the Board.

Under Electrical Power, Director Brown reported on activities of the Friant Power Authority including computer software issues, and concerns over non-payment by PG&E. Manager Chandler reported on OCID's Friant Fishwater Hydro generation, the utilities limited payment, and PG&E's bankruptcy protection filing.

Under the AFRP Project, a discussion was held regarding the following issues: (1.) Basis of Water Right (Pre-1914); (2) Permanence of Purchase; and (3) Ownership Name. Consultant Williams then reported on the status of the application for the Calfed Watershed Program. The second step of the application is due April 27, 2001.

A discussion was then held regarding requests for proposals for audit services. Controller Ramirez recommended that OCID offer to extend the audit engagement to Baker, Peterson and Franklin for another three years at the same rate of \$8,000 per year. Manager Chandler concurred. After discussion, President McFarlin directed staff to contact Jon Chessum to ascertain a contract extension.

A discussion was then held to consider a Letter of Intent requested by the City of Orange Cove for a groundwater for canal water exchange. The Board tabled any action until the City assures the District that there is no adverse impact to the District or its landowners.

Under CalPERS Health Benefit Program, discussion was continued to the next regular meeting of the Board. Staff was directed to obtain comparable costs from ACWA to compare with those from CalPERS

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A discussion was then held to consider participation in the Family Farm Alliance. After discussion, Director Bailey offered a motion to participate in the Family Farm Alliance and pay the \$1,500 membership dues. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 3:50 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 Thursday May 3, 2001. 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 Williams, Consultant
Jon Chessum, Baker, Peterson & Franklin, LLP

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 \$91,920.18 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, water purchases and other related activities of the Accounting Department. Manager Chandler reported on water use, supply and several other water related issues. Director Bailey reported on activities of the Friant Water Users Authority including the announced resignation of Dick Moss. He also reported on the Westlands application for San Joaquin River water and River restoration activities.

A discussion was then held to consider a resolution to order and consolidate District elections. After discussion, Director Bailey offered a motion to approve the resolution. The motion was seconded by Director Brown and unanimously approved by the Board.

Mr. Jon Chessum, Baker, Peterson & Franklin appeared before the Board to report on the audited financial statements as of December 31, 2000. After reviewing the details of the audit, he reported that the audited statements conformed with generally accepted accounting principles as well as accounting systems prescribed by the State Controller's Office and the state regulations governing special districts.

Under Electrical Power, Controller Ramirez reported on power generation and revenue. Manager Chandler reported on issues that were discussed at the April Friant Power Authority Board meeting as reported to him by Manager Carlisle. A discussion was then held regarding issues the District should work on to be as prepared as possible for what appears to be a very critical summer for electrical energy. The consensus was to evaluate programs made available by State legislation for load shifting or load shedding which would include metering and telemetry.

Manager Chandler and consultant Williams then reported on activities relating to the Mill Creek AFRP Project. This included meeting with several interest groups in Tehama County to make sure we had their support for the OCID Watershed application through the Calfed program for monitoring and studies on Mill Creek. It was also reported that a meeting had been scheduled with USBR staff at the ACWA Convention to discuss the status of the OCID Mill Creek proposal.

A discussion was then held to consider a proposal by Baker Peterson and Franklin to continue audit services for the next three years at \$8,000 per year provided the auditing requirements remained the same. After discussion, Director Collin offered a motion to continue audit service with Baker, Peterson and Franklin. The motion was seconded by Director Brown and unanimously approved by the Board.

Under CalPERS Health Benefit Program, discussion was tabled for the next regular meeting of the Board so members would have a chance to study the options.

With no further business to discuss, the meeting was adjourned at 3:32 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, June 05, 2001.

The Meeting was called to order at 8:10 A.M., with the following Directors and Officers present:

Directors: Henry A. Collin, III
David A. Brown
Harvey A. Bailey

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

Absent: Richard D. McFarlin, President
James O. Orlopp, Vice President

The meeting was called for the purpose of developing a formal position on water issues relating to development in the Orange Cove area.

The Board of Directors discussed a policy regarding new development within the District. The Board agreed to ensure that any development being considered within the District does not adversely affect the water supplies available to the District and its landowners, does not increase demand on limited groundwater resources, and does not result in development which is inconsistent with the predominantly irrigated agricultural service area of the District.

After discussion, Director Bailey offered a motion to adopt the Position Statement as drafted. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 8:45 A.M.

Henry A. Collin, III, Acting Chairman

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday June 13, 2001. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers present:

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

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

Others: Michael Jackson
US Bureau of Reclamation

Absent: James O. Orlopp, Vice President

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 from the Regular Board meeting and the Special Board meeting held June 5, 2001. 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 \$816,198.29 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 Public Input, Mr. Roger Norton appeared before the Board for clarification on a recent letter issued by the District regarding water purchases.

Under the Monthly Report, Controller Ramirez reported on the financial standing of the District, water purchases and other related activities of the Accounting Department. Manager Chandler reported on water use, supply and asked for Board direction for the unpurchased supply. After discussion, the Board directed staff to hold 3,000 acre-feet and offer for sale any balance over 3000 for \$100 per acre-foot. Director Bailey reported on activities of the Friant Water Users Authority, CVPWA and the San Joaquin River Restoration program.

Under Electrical Power, Director Brown reported on activities of the Friant Power Authority including getting the Board to agree to move ahead on a contingency plan if PG&E rejects the Power Purchase. Reports were also given on Southern San Joaquin Valley Power Authority and the Upper San Joaquin River Water and Power Authority including a call for funds for the USJRW&PA of \$1000. After discussion, Director Collin offered a motion to drop participation in the USJRW&PA. The motion was seconded by Director Brown and unanimously approved by the Board. Also discussed was the District's plan to participate in a Peak Load Reduction Program. The District would be compensated up to \$300 per kW of load shed during peak hours or 65 percent of cost to upgrade equipment to participate in the program. After discussion, Director Collin offered a motion to approve participation in the program. The Motion was seconded by Director Bailey and unanimously approved by the Board. The PG&E bankruptcy issue was then discussed relative to the Fishwater Release Hydro contract, the delinquent payment by the utility and the need to hire a bankruptcy attorney to pursue collection. After discussion, Director Brown offered a motion to hire Patricia Mar with Morrison & Foerster to pursue the District's claim. The motion was seconded by Director Collin and unanimously approved by the Board.

Under the AFRP, Michael Jackson, Assistant Area Manager, US Bureau of Reclamation, appeared before the Board at the District's request to discuss the project. The District had requested representatives from both the Bureau and Fish and Wildlife Service be present for discussion. No Service representative was present. The focus of discussion was the time it is taking to move the project forward and whether the agencies are really committed to partnering with the District. Mr. Jackson reported that he could not speak for the Service but had been given assurance that the Bureau is committed to the project and that it was his understanding that funds were available to commit to the water acquisition part of the project. The problem as explained by Mr. Jackson has been in getting the Service comfortable with the water purchase as negotiated. Acting Regional Director Kirk Rodgers and Acting Bureau Commissioner McDonald have committed to the project and funding the District. The District is to hear from Mr. Dan Keppen soon regarding the process to get to the final agreement.

Under the CalPERS Health Benefit Program, the matter was tabled until full Board was present for discussion.

Insurance proposals for the District's workers compensation requirements were then reviewed. After discussion, the Board directed staff to accept the best proposal for the District.

The Board then reviewed a request from Mr. Rafael Macias for a 90-day extension of time to pay his delinquent rehab standby charges. Controller Ramirez informed the Board that a lien for delinquent year 2001 rehab standby charges would be recorded with the County on or about September 1, 2001. Mr. Macias anticipates bringing the account current by August 25, 2001. After discussion, the Board directed staff to continue to accrue penalties and interest until paid and, to record a lien on the property if the account is not brought current by the lien recordation date.

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. A closed session was called at 2:45 PM. The Board came out of closed session at 3:05 PM. Director Collin then offered a motion to adjust the monthly salaries as follows:

<u>Position</u>	<u>From</u>	<u>To</u>
Controller / Treasurer	\$5,040	\$5,290
Accounting Clerk	\$2,000	\$2,075
Administrative Clerk	\$2,000	\$2,075
Field Ops Staff	\$3,836	\$3,936

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

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday July 11, 2001. The Meeting was called to order at 11:38 A.M., with the following Directors and Officers present:

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

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

Others: Harvey Williams, Consultant

Absent: James O. Orlopp, Vice President

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 Brown and unanimously approved by the Board.

The bills totaling \$266,525.04 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, water use and final water purchases by constituents and other related activities of the Accounting Department. Manager Chandler reported on water sales and demands remaining with other districts, CVP power issues passing cost to water users, Judge Wanger's ruling against Westlands, power outage problems and status of Riddle annexation. Director Bailey reported on activities of the Friant Water Users Authority, CVPWA and the San Joaquin River Restoration program.

Under Electrical Power, Director Brown reported on activities of the Friant Power Authority including the contract modification for a price guarantee of an average fixed rate of 5.37 cents per kilowatt hour. Discussion was then held about modifying the OCID Power Purchase Agreements for Fishwater and Kings River Siphon hydroelectric units. The KRSB would require CHI's approval to amend. After discussion, Director Collin offered a motion to approve the amendments subject to CHI's approval for the KRSB. The motion was seconded by Director Brown and unanimously approved by the Board. OCID Friant 2 was then discussed. After discussion, Director Brown offered a motion to continue the feasibility study by refining penstock issues for the lower level powerhouse location. The motion was seconded by Director Bailey and unanimously approved by the Board. The contract for OCID's Peak Load Reduction Program was then discussed. After discussion, Director Collin offered a motion to approve the contract and proceed with the program. The motion was seconded by Director Bailey and unanimously approved by then Board.

Under the AFRP, Manager Chandler reported that Dan Keppen, USBR, is working with the District and District Counsel on how to address the water rights issue. All agree that the process as defined by the Fish and Wildlife Service does not work for this project. Furthermore, unless a workable procedure is defined, the process will continue to stall. Mr. Keppen and upper management continue to emphasize their commitment to the project and the availability of funds as soon as the process can be completed.

Under the CalPERS Health Benefit Program, the matter was tabled again awaiting full Board was present for discussion.

Landowner/water user issues were then discussed which included request to waive penalties for late purchases, penalties on water sales and a replacement pump for John Hendrixson. After reviewing the written request, the Board elected to waive none of the late payment penalties. For penalties on water sale, the Board directed staff to apply penalties where the water user elects to not purchase his full allocation at the beginning of the water season but purchase additional water during the season. For the pump replacement, Mr. Hendrixson was not provided with a new pump during the rehabilitation program as most single pump users were. After discussion, Director Brown offered a motion to purchase a new pump on a one-time basis. All other cost including future replacement or repair is to be provided by Mr. Hendrixson. The motion was seconded by Director Bailey and unanimously approved by the Board.

The Friant Water Users Authority O&M Budget was then reviewed. The budget trend shows the Authority expenditures to be well below projections made when the Authority took over the O&M on the Canal. The normal budget is running about \$4.5 million per year with an increase of about \$500,000 in years the Canal is dewatered.

A discussion was then held to consider the reasonableness of the District's reserves. Controller Ramirez reported that the District had restricted reserves of \$2,918,200 and unappropriated reserves of \$1,106,500 as of the audit date of December 31, 2000. The restricted reserves are segregated at US Bank and appropriated to repay the 1996 certificates of participation in accordance with the installment purchase agreement. The unappropriated reserves are designated in LAIF funds for future financial resources utilization such as contingencies for fixed asset acquisition and/or administrative overhead costs. Designations may be readily changed to represent management plans or intent. The Board directed staff to periodically report the amount of restricted and designated reserves to ascertain compliance with District guidelines.

A discussion was then held to consider membership participation the Family Water Alliance and the California Farm Water Coalition. After discussion, the Board elected to not participate.

With no further business to discuss, the meeting was adjourned at 4:02 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 8, 2001. 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
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 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 \$485,009.40 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, water use and other related activities of the Accounting Department. Manager Chandler reported on water sales, Restoration fees, tiered water pricing and other related issues. Director Bailey reported on activities of the Friant Water Users Authority, CVPWA and the San Joaquin River Restoration program.

Under Electrical Power, activity reports were given for Friant Power Authority and OCID's Friant Fishwater Release Hydro. Manager Chandler then reported the District's efforts to evaluate a second hydro unit at Friant Dam include the need to evaluate marketing opportunities. It was recommended that the District employ the services of Mike Burke to evaluate marketing options. After discussion, Director Collin offered a motion to use Mike Burke for the marketing analysis if the project appears feasible. The motion was seconded by Director Bailey and unanimously approved by the Board. A report was then given on the Peak Load Reduction Program and the opportunity to open the program for any agricultural related electrical user in the District.

Manager Chandler then reported on the District's efforts to do an AFRP project on Mill Creek in Tehama County. The Bureau was currently evaluating alternative means of funding the project other than on a water quantity basis. Even though the Acting Regional Director, Kirk Rogers, and Acting Commissioner McDonald have agreed to the project funding, staff people are still not comfortable with documenting the process.

A status report was then given on issues related to boundary reorganization for the District. Activities with the County of Tulare had been put on hold until the District could define all the changes that needed to be bundled with the reorganization application. In particular, the consideration of possible new acreage being annexed for Dean Gillette in exchange for a reservoir site.

Discussion then continued regarding director participation in the health benefit plans that could be offered through the District. After discussion, Director Bailey offered a motion to provide directors the option to participate in the ACWA health benefits program. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Controller Ramirez then presented the draft budget for fiscal year 2002. Mr. Ramirez explained that all of the support schedules were not available at the time the draft budget was prepared but would be finalized for the September Board of Directors meeting.

With no further business to discuss, the meeting was adjourned at 4:17 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, August 20, 2001.

The Meeting was called to order at 8:22 A.M., with the following Directors and Officers present:

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

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

The meeting was called for the purpose of revising eligibility requirements for enrolling Employees & Directors to the ACWA-Health Benefits Plan.

Controller Ramirez presented a brief overview of the terms and conditions of the ACWA-Health Benefits Authority's rules, regulations and procedures. A discussion then followed regarding the underwriting, eligibility and contribution requirements established by the ACWA-HBA. Teresa Steverson, ACWA Benefits Account Development Coordinator, via telephone explained the various options available to the District.

After discussion, Director Collin offered a motion to change the enrollment participation eligibility requirements to permit Directors to enroll in the ACWA-Health Benefits Plan, effective September 1, 2001. The motion was seconded by Director Orlopp and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 10:35 A.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 12, 2001, and continued on Wednesday, September 26, 2001. The Meeting was called to order at 11:41 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: H. Errol Johansen
Tri Access Insurance Services
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 Brown offered a motion to approve the minutes from the regularly scheduled meeting and the special meeting held August 26, 2001 as prepared. The motion was seconded by Director Bailey and unanimously approved by the Board.

The bills totaling \$651,639.99 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. Manager Chandler then asked the Board for authorization to transfer up to 2000-acre feet of water to Lindmore Irrigation District as a loan to next season. The water would be returned to OCID at the same cost purchased by Lindmore ID. After discussion, Director Orlopp offered a motion to approve the transfer concept. The motion was seconded by Director Bailey and unanimously approved by the Board. Reports were also given on water use and projections for the remainder of the water season, FWUA and CVPWA activities and other related issues.

Under District Directors, a discussion was held to consider Fresno County's request for recommendations for Division 3 & 5 directors. After discussion, Director Bailey offered a motion to recommend filling the Divisions with the current Directors Orlopp and Collin. The motion was seconded by Director Brown and unanimously approved by the Board.

Manager Chandler then reported on activities of the Friant Power Authority and the status of the feasibility study for the second hydro unit at Friant Dam. The Peak Load Reduction Program was also discussed including efforts to aggregate landowner load curtailment into the District's program. The aggregation of additional load curtailment would be proposed for a second contract through the CEC incentive program if approved by the Board. Two program options were then discussed. One option was for the District to pay all the cost for landowner equipment needed for the program and receive the incentive credit. The second option was for the District to pay 65% of landowner cost and pay landowner participants \$100 per kilowatt for weekday afternoon load curtailment. After discussion, Director Orlopp offered a motion to approve option 2, which had an estimated cost to the District of \$108,000. The motion was seconded by Director Bailey and unanimously approved by the Board.

A status report was then given on the Mill Creek AFRP proposal. A meeting was scheduled for September 18, 2001 to meet with the Bureau of Reclamation to discuss taking the project back to a performed-based project as originally proposed by the District in lieu of pursuing the water acquisition component when there is not agreement on the volume of water made available from water right purchases.

A status report was then given on the OCID Boundary Change. No further activities had taken place since the District was evaluating options to the Peak Load Reduction Program that could bring additional land into the District.

Under Section 125 Plans, Mr. Errol Johansen with Tri Access Insurance services then made a presentation on the benefits of an Internal Revenue Code Section 125 cafeteria plan. After discussion, the Board directed Controller Ramirez to confer with staff to ascertain any interest. A follow-up report to the Board will be presented at the November Board meeting.

Controller Ramirez then presented a proposed budget for 2002 in compliance with Section 6.14 of the Installment Purchase Agreement relating to Refunding Revenue Certificates of Participation (Rehabilitation Project) Series 1996. The proposed rehab standby rates per assessed acreage will produce net revenues equal to at least one hundred twenty-five per cent (125%) of the debt service for fiscal year 2002. After discussion, Director Bailey offered a motion to adopt the budget and set the Rehab Standby Rate at \$75.80 per acre and the non-rehab standby rate at \$16.96 per acre. The motion was seconded by Director Orlopp and unanimously approved by the Board, contingent on the conclusion of the Board of Equalization hearing on September 26, 2001.

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.

The Board meeting was adjourned at 3:19PM for continuation to 11:30 AM, September 26, 2001.

The Regular Board meeting reconvened on September 26, 2001 at 11:30 AM 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

At 11:45 AM, the Regular Board meeting was recessed and the Board convened as the Board of Equalization. Controller Ramirez reported the following corrections to the Assessment Book: (1) 5.65 acres assessed to Frank J. Ketscher were deleted from the rolls; and (2) 6.51 acres assessed to Jose Iraizoz were added to the rolls. The corrections were necessary to adjust landowner parcels partitioned in prior years. The total assessment acreage for 2002 is corrected to 28,122.99. Director Bailey offered a motion to accept the changes and properly notify the landowners of the corrections. The motion was seconded by Director Orlopp and unanimously approved by the Board. In that no person or persons appeared for the hearing, the Board of Equalization Hearing was adjourned at 12:15 PM.

Discussion continued regarding the Mill Creek AFRP. The District was to receive a decision from the Bureau by the close of business September, 25, 2001 as to whether the Agency was going to fund the project and, if so, when. Those questions were not answered by the closing date and time and, attempts to reach key decision maker were unsuccessful during the morning before the Board reconvened on the 26th. However, the District was successful in contacting key individuals during the Board meeting and a conference held. The Agency folks express an interest in continuing with water acquisition but wanted to do it on their terms which meant less revenue to the District. The Board would not agree to the position offered by the Bureau. The Bureau then agreed to have the project reviewed by staff with the intent of doing it on a performance basis. Mr. Mike Ryan then requested the District's most recent CalFed application to use as a guide to look at the project and funding on a performance basis. The Agency folks agreed to get back to the District as soon as possible, no date certain, not only on funding on a performance basis but to include compensation for District cost for acquiring water rights.

With no further business to discuss, the regular board meeting was adjourned at 1:12 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 10, 2001. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers present:

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

Officers: James C. Chandler
Engineer-Manager-Secretary

Others: Harvey Williams, Consultant
Dan Fults, FWUA
Randy McFarlin, Consultant

Absent: Harvey A. Bailey
Robert T. Ramirez, Controller

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 Brown and unanimously approved by the Board.

The bills totaling \$655,638.15 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, The Board reviewed reports prepared by Controller Ramirez regarding the financial standing of the District and other related activities of the Accounting Department. Manager Chandler then reported on water sales, water use and potential transfers to other districts and carryover. Director Brown reported on a meeting to be held with Mike Machado on November 2nd. Reports were also given on activities of Friant Water Users Authority, the Calfed legislation and other related issues.

Electric power issues were then discussed. Friant Power Authority requested members to discuss with home boards the possibility and interest to buy out the bonds from Ida-West. Remaining debt is about \$8.8 million which would amount to about \$484,000 for OCID's share. After discussion, Director Collin offered a motion to approve the buy out concept and approve up to \$500,000 for OCID's share. The motion was seconded by Director Orlopp and unanimously approved by the Board. The Peak Load Reduction Program was then discussed. Manager Chandler reported on and asked the Board to ratify PG&E meter changes necessary to monitor electrical load at the pump stations which could add up to \$5,000 additional cost to the District if the contingency funds got used elsewhere. The Board agreed to the change. Reports were then given on PG&E bankruptcy and their reorganization proposal to the court, ACWA-USA inquiry of interest for direct access to power from Laguna Irrigation District and the status of Friant 2 Hydro Unit.

A discussion was then held on the Mill Creek AFRP proposal. Messrs. Dan Fults, Harvey Williams and Randy McFarland were present for the discussion on how to proceed. Dan Fults had been successful in setting up a meeting with USBR & USFWS management folks for Friday, October 12 for the purpose of getting the project back on track. Alternatives were discussed with the Board to shorten the term for a contract with the agencies. The Board felt it was not the District's obligation to continue to offer alternatives. The agency decision-makers simply needed to tell us what they would. The Board also directed staff to work with Randy McFarland to prepare a news release in case the meeting did not go well with the agency people. Manager Chandler then asked the Board for approval to make the second installment payments on the water right purchases and payment to Los Molinos Mutual Water Company for O&M charges relative to the water rights. After discussion, Director Brown offered a motion to approve the payments. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A status report was then given on the OCID Boundary Change. No further activities had taken place since the District is still evaluating options to the Peak Load Reduction Program that could bring additional land into the District.

Manager Chandler then briefed the Board on the latest incident with Roger Norton and employee concerns over that incident. The issue had been discussed with District Counsel and it was reported that Mr. Norton had not violated any statutes but was very close to doing so. Counsel recommended addressing the District's concerns in a letter to Mr. Norton which could either be signed by District staff, Board President or District Counsel. After discussion, the Board directed staff to have a letter prepared for signature by all Directors and District Manager with copies sent to both Fresno and Tulare County Sheriff Departments.

A call for funds to continue as a participating member of the Friant Water Users Authority was then discussed. After discussion, Director Brown offered a motion to continue participation and payment of the District's share for membership. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A call for funds to participate in the California Water Awareness Campaign was then discussed. After discussion, the Board elected to not participate in the program.

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

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 14, 2001. 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
Harvey A. Bailey
David A. Brown

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

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.

Bills totaling \$461,670.48 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. Manager Chandler then reported on water use, transfer to Exeter ID and potential carryover. Director Bailey reported on activities of the Friant Water Users Authority and CVPWA. Other related issues were discussed.

Under Electric Power, Director Brown reported on Friant Power Authority issues including the proposed Bond buyout. Manager Chandler discussed the proposed amendment to the FPA Joint Powers Agreement and the waiver of conflict of interest for Counsel Meith to process the legal documents. After discussion, Director Brown offered a motion to approve OCID's participation in the bond buyout at 6.1947 percent (\$551,842.38), amendment to the JPA and waiver of the conflict of interest for Counsel Meith. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Manager Chandler then reported on activities for the Friant 2 Hydro unit including efforts to resolve the water rights protest by National Marine Fishery Service. It was also reported that OCID continues to receive offers to buyout the PG&E debt. Current offers are about 85% of the debt amount. Other related issues were discussed.

Manager Chandler then reported on the meeting he and Dan Fults had with Kirk Rodgers, USBR, regarding the Mill Creek AFRP proposal. Wayne White, USFWS, was supposed to be present but did not make the meeting. Mr. Rodgers was very positive toward getting the project funded but wanted USFWS to contribute their share to the program. Mr. Rodgers asked that the meeting be continued when the Service could be present. The continuation meeting is scheduled for November 20, 2001 with the Service asking for OCID's cost in the project. Those cost were discussed with the Board.

A status report was then given on the OCID Boundary Change. No further activities had taken place since the District is still evaluating options to the Peak Load Reduction Program that could bring additional land into the District.

A discussion was then held to consider an alternate source of drinking water for the District office. The alternates were to purchase bottled drinking water or install a purification system. After discussion, Director Brown offered a motion to purchase bottled water on a trial basis while the District evaluated other alternatives. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under Health Benefit Plan issues, a discussion was held to clarify health plan coverage for Directors during and after serving on the Board for the District. After discussion, Director Brown offered a motion for staff to draft policy for Board consideration at the next regular meeting. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held to consider adopting the IRS Code Section 125 Benefit Plan for District employees and directors. After discussion, Director Bailey offered a motion to adopt the Section 125 Plan commencing January 1, 2002. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the Regular Board meeting was adjourned at 2:18PM.

Richard D. McFarlin, President

James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, December 12, 2001. The Meeting was called to order at 11:32 A.M., with the following Directors and Officers present:

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

Officers: Robert T. Ramirez, Controller/Treasurer

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

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

President McFarlin called for the election of officers. Director Bailey offered a motion to reaffirm the current officers. The motion was seconded by Director Brown and unanimously approved by the Board.

Approval of the minutes for November 14, 2001 was deferred to the January 9, 2002 Board Meeting.

The bills totaling \$1,050,785.81 were then discussed. After discussion, Director Orlopp offered a motion to approve payment of 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, power plant production and related issues. Director Bailey reported on activities of the FWUA and other related issues. President McFarlin reported on activities at the ACWA conference held in San Diego.

The regular board meeting was then recessed at 11:45 A.M. to hold the meeting for the Orange Cove Irrigation District Financing Corporation. The regular meeting of the Board was reconvened at 11:50 A.M.

A discussion was then held regarding water rates and the water allocation policy. Controller Ramirez recommended that the rates for 2002 remain the same as the prior year. After discussion, Director Bailey offered a motion to approve the proposed Water Rates for 2002. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding electrical power. Director Brown reported on Friant Power Authority issues including the District's participation in the bond buy out. It was also reported that OCID continues to receive offers to buyout the PG&E debt. Current offers are at 91% of the Debt amount. The Board directed staff to continue to bring all offers to the Board for discussion.

Under Health Benefit Plan issues, a discussion was held to clarify health plan coverage for Directors of the Orange Cove Irrigation District. A Health Benefits Memorandum of Understanding pertaining to eligibility for active and retired employees and directors was discussed. After discussion, Director Brown offered a motion to adopt the Health Benefits Memorandum of Understanding affirming guidelines for eligibility and contributions for employees and directors in the District's Health Benefit Plan. The motion was seconded by Director Bailey and unanimously approved by the Board.

A discussion was then held to consider proposals for property insurance. After discussion, Director Orlopp offered a motion to retain the District's property insurance coverage for the policy year beginning April 1, 2002, through ACWA JPIA. The motion was seconded by Director Bailey and unanimously approved.

With no further business to discuss, the meeting was adjourned at 1:15 P.M.

Richard D. McFarlin, President

James C. Chandler, Secretary