

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 8, 2003. The Meeting was called to order at 11:35 A.M., with the following Directors and Officers present:

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

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

Others: Arlen Miller  
Ginger Bryant  
Steven Bradley  
Brian Johnson

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

President Bailey then asked if there were any errors or omissions to the minutes for the December Board of Directors meeting. Director McFarlin offered a motion to approve the minutes as mailed. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Bills totaling \$262,174.33 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. Several water related issues were then discussed including the latest draft of water carryover policy being drafted by the Bureau of Reclamation. Director Bailey reported on activities of the Friant Water Users Authority, the Central Valley Project Water Association and the Family Farm Alliance. Other related issues were discussed.

Under Water, a discussion was held in consideration of approving the 2003 water year rules and regulations and the transmittal letter to accompany the water applications. Several suggestions were made for the transmittal letter to better communicate District issues to the water user. Director Brown then offered a motion to approve the rules and regulations and to continue discussion on how to split credits between water and land. The motion was seconded by Director Collin and unanimously approved by the Board.

Under Electric Power, Director Brown and Manager Chandler reported on activities of the Friant Power Authority including revenue generation. Reports were also given on the District's Fishwater Hydro, Friant II Hydro and the Peak Load Reduction Program. Manager Chandler then recommended to the Board that Richard McFarlin's cost, \$291, for delivery modification for the PLRP be paid by the District since it became the model for aggregating landowner load reduction with the District for a major benefit to the District. After discussion, Director Orlopp offered a motion for the District to pay the cost. The motion was seconded by Director Brown and approved by the Board. Director McFarlin abstained from the vote.

Under AFRP Project, Miss Ginger Bryant appeared before the Board to discuss alternatives for moving the original OCID concept forward for the Mill Creek project. The main emphasis is to get buy-in from policy maker in Washington DC and get guidelines developed at that level to avoid continual changes as has been experienced by the District working with agency folks at Sacramento. After discussion, Director Collin offered a motion to approve cost, not to exceed \$5,000, for Miss Bryant and Greg Wang, the Ferguson Group, to meet and discuss the potential to move the project forward with DC agency folks. The motion was seconded by Director McFarlin and approved by majority vote by the Board. Director Brown voted against the motion.

A discussion was then held in consideration of studying the opportunity to do some form of groundwater banking in the District. A discussion paper was presented that outlined a phased approach to determine potential feasibility. After discussion, Director Brown offered a motion to start phase I with a budget not to exceed \$5,000. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under Land Annexation and Detachment, a discussion was held in consideration of whether an equitable means existed or could be developed for lands that wanted to detach on a voluntary basis when comparable acreage wanted to annex to the District. After discussion, Director Collin offered a motion to move forward with the study with the full Board serving as a committee to the extent needed for special meetings. The motion was seconded by Director Brown and unanimously approved by the Board. The first issue is to determine what powers the District has for such decisions or whether they are govern by other entities such as LAFCO.

A discussion was then held to address requests from Wileman Bros. & Elliott, Inc. and Rudy Rivera to waive penalties for late payment of Standby fees. After discussion, the Board declined to waive the penalties.

A discussion was held to consider membership participation in different entities. Several request had been received by the District and each were discussed by the Board. After discussion, Director McFarlin offered a motion for participation in Central Valley project Water Association at \$6,612; Family Farm Alliance at \$1500 and; Agricultural Energy Consumers Association at \$500. The motion was seconded by Director Collin and unanimously approved by the Board.

Under Employee Benefits, discussion continued after providing directors with contracts and other information relative to employee benefits as requested at the December Board meeting. After discussion, Director McFarlin offered a motion to rescind the November motion relative to this subject. The motion was seconded by Director Orlopp and approved by the majority vote by the Board. Director Collin voted against the motion.

Under NRDC v Patterson, no discussion was held since there was nothing new to report to the Board.

With no further business to discuss, the Regular Board meeting was adjourned at 4:45 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, February 10, 2003. The Meeting was called to order at 11:42 A.M., with the following Directors and Officers present:

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

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

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

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

Bills totaling \$105,835.64 were then discussed. After discussion, Director McFarlin 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. Water was then discussed. The first official declaration would be made on February 14. The District has a carryover supply of 7357 acre-feet which has been approved by the Bureau to carry forward to Water Year 2003. A request from Dennis Keller to purchase 1500 acre-feet of water for Tri-Valley Water District at \$60 per acre-foot plus carryover cost was discussed. After discussion, the Board directed staff to not sell any water at this time due to the extreme dry conditions that exist in the watershed. President Bailey then reported on activities of the Friant Water Users Authority, the Central Valley Project Water Association and the Family Farm Alliance. Other related issues were discussed.

A discussion was then held to consider how to credit excess revenues between water and land payments. After discussion and due to concerns on how excess revenues are determined, the Board requested the matter tabled until the next regular meeting of the Board where Controller Ramirez could give a more detailed report on the issue.

Under Electric Power, Manager Chandler reported on activities of the Friant Power Authority as had been reported by FPA Manager, Bill Carlisle, since no one from OCID was able to attend the FPA Board meeting. Carlisle reported that hydraulic controller upgrade did not get approved since there was a debate as to the level of automation that should be done. The plant had generated sufficient revenues to make disbursements to member districts that participated in the bond buyout and the Board approved a salary increase of \$500 per month for Manager Carlisle. Reports were also given on the District's Fishwater Hydro, Peak Load Reduction Program and the District's FERC License amendment to include the Friant II Hydro. The first draft of the FERC License amendment is scheduled for completion by the end of February at which time agency review and formal environmental consultation will begin.

Under AFRP Project, Ginger Bryant's report was referenced as follow up to meeting and briefing by her and Greg Wang. Director Collin reported on his meeting with Congressman Ose wherein the Congressman is looking for more accountability in the restoration programs that are being administered by the agencies. Alternatives were discussed in consideration of going forward with or without Bryant and Wang but with emphasis placed on getting the water lease in place as a priority to any alternative at this time. After discussion, Director Collin offered a motion to approve the Bryant/ Wang proposal at a cost of \$5000, plus expense, per month. The proposal is for a six month period but can be terminated at the discretion of OCID Board. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Under Water Banking Opportunities, Manager Chandler reported that Consultant Harvey Williams was employed to gather the information necessary for the Phase I investigation. Mr. Williams has determined that most of the information needed is available from Department of Water Resources and can be released to the District by written request. The formal request has been made by the District.

Under Land Annexation and Detachment, discussion continued as to whether an equitable means existed or could be developed for lands that wanted to detach on a voluntary basis when comparable acreage wanted to annex to the District. The first effort was to determine whether there is binding conditions or laws either by the Local Agency Formation Commission (LAFCO) or the State Water Code. It was determined after discussion the issue with the LAFCO Director and Counsel Meith that neither of the aforementioned restricted the District from detaching land that is not contiguous to the District boundaries. For the most part, it will be District policy that governs. After further discussion, the Board decided to continue to work on policy guidelines wherein request to detach land could be evaluated on an individual basis and in accordance to District guidelines.

Under Software Programmer, a discussion was held to consider purchasing a block of time for the programmer to solve accounting problems on the District's water accounting program. After discussion, Director Brown offered a motion to approve \$5,000 for the purchase of time to work on the software. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under NRDC v Patterson, a discussion was held to consider the District's position for the establishment of a legal defense fund and the basis for funding by the Friant membership. The Board's position was that the fund should be established and the Friant Dues Formula serve the basis for funding.

With no further business to discuss, the Regular Board meeting was adjourned at 3:15 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, March 14, 2003. The Meeting was called to order at 11:10 A.M., with the following Directors and Officers present (President Bailey joined the meeting shortly after the start):

Directors: Harvey A. Bailey, 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

Others: Ginger Bryant, Consultant  
Arlen Miller

Absent: Richard D. McFarlin

Vice President Orlopp opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey joined the meeting and assumed the duties as Chairman. Mr. Bailey then asked if there were any errors or omissions to the minutes for the February Board of Directors meeting. Director Orlopp offered a motion to approve the minutes as mailed. The motion was seconded by Director Collin and unanimously approved by the Board.

Bills totaling \$621,794.93 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. Water was then discussed. The Bureau's declaration was moved upward from 70 percent to 90 percent for Class I supplies. The forecast was based on average precipitation leaving the declaration somewhat uncertain at this time. Based on that information, the Board did not want to sell any water outside the District. President Bailey reported on activities of the Friant Water Users Authority, the Central Valley Project Water Association and the Family Farm Alliance. Other related issues were discussed.

A discussion was then held to address requests to waive late penalties for water orders. After discussion, Director Brown offered a motion to deny the request. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Excess Revenues was then discussed. Controller Ramirez reviewed documents that illustrated the process that he has to go through to determine whether the covenant required for the COPs is met and the items that are used in the test. The test is made on an annual basis. After discussion, the Board directed staff to continue the evaluation to see if there is not some means by which this issue can be resolved to the benefit of the District's landowners and water users.

Under Electric Power, Manager Chandler reported that there had not been a meeting of the Friant Power Authority Board of Directors. The Authority is still trying to resolve the reactive power issue which has high cost over the last couple of years. A discussion was then held regarding the cost increase over the estimate for Concepts in Control to add two reservoirs to the SCADA system. The original estimate was \$20,000 and the final proposal was in excess of \$36,000. After discussion, the Board directed staff to offer \$25,000 and if that was not acceptable, to get a different firm for the District's SCADA operations. Reports were also given on the Fishwater Hydro and the license amendment to add a second hydro unit.

Under AFRP Project, Ginger Bryant appeared before the Board to give a status report on the activities by her and Greg Wang. The Board was asked to authorize Manager Chandler to send letters to congressional representatives to get funds budgeted for OCID to continue work on the Mill Creek project. After discussion, Director Collin offered a motion authorizing letters to be sent to the appropriate legislatures. The motion was seconded by Director Orlopp and unanimously approved by the Board. It was also reported that the Bureau had not met with Congressman Herger and, therefore, had not signed the lease agreement.

Friant Water Users Authority two issues were discussed. The issues were whether to permit the City of Fresno to become a member of Friant Water Users Authority and a proposed settlement agreement with Westlands Water District. After discussion, the Board was unanimous in support of both issues.

Under Water Banking Opportunities, Manager Chandler reported that Consultant Harvey Williams has received the needed information from the California Department of Water Resources to define the area that may be considered for in lieu water banking. As more information is made available, the District can then better define the process to move forward if it appears to be a viable program to pursue.

Under Land Annexation and Detachment, a flow chart and draft revisions to current policy were discussed. The Board confirmed they did not want to change current policy which prohibited the creations of new islands within the District. After discussion, the Board agreed that Counsel Meith should review the proposed changes before making a final decision to adopt the changes.

Under Used Computers, Manager Chandler recommended that one computer be assigned to Arnold Gonzalez for his use with the District's SCADA system and the other computers be offered for sale to the highest bidder with minimum bid of \$100 each. The Board agreed with the recommendation.

Under NRDC v Patterson, a status report was given on the efforts to settle the litigation through the use of a mediator.

With no further business to discuss, the Regular Board meeting was adjourned at 3:42 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 9, 2003. The Meeting was called to order at 11:42 A.M., with the following Directors and Officers:

Directors:	Harvey A. Bailey, President James O. Orlopp, Vice President Richard D. McFarlin Henry A. Collin, III David A. Brown
Officers:	James C. Chandler Engineer-Manager-Secretary
Others:	Arlen Miller

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

Mr. Bailey then asked if there were any errors or omissions to the minutes for the March Board of Directors meeting. Director Collin offered a motion to approve the minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

Bills totaling \$271,744.93 were then discussed. After discussion, Director Orlopp offered a motion to approve the bills. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Under the Monthly Report, Controller Ramirez' report was reviewed regarding the financial standing of the District and other related activities of the Accounting Department. Water was then discussed. The Bureau's declaration had been moved upward to 90 percent for Class I with the anticipation that it would go to 100 percent for Class I with the possibility of some Class II water. Based on that information, the Board authorized the Manager to market the carryover supply with a minimum price of \$100 per acre-foot. President Bailey then reported on activities of the Central Valley Project Water Association and the Family Farm Alliance. Other related issues were discussed.

Under the Temporary Water Service Contract, Manager Chandler reported that OCID's Renewal Contract permits the District to enter into temporary (annual) water service contracts which the District could purchase water at cheaper rates, when available. Manager Chandler recommended approval of the Contract and consideration of future contracts if and when available. Director McFarlin offered a motion to approve the Contract with authorization of the President and Secretary to execute the document on behalf of the District. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held in consideration of adopting a specific claim form for the District in accordance with new requirements for public agencies as recommended by District Counsel. After discussion, Director Orlopp offered a motion to approve the new form. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Under Excess Revenues, a report was given on recent discussion with the auditors regarding defining excess revenues and an outline prepared by Controller Ramirez for discussion of the issues at the next regularly scheduled Board meeting.

Under Electric Power, Manager Chandler reported that no Friant Power Authority Board of Directors meeting was held in March but reports were furnished in the Board packet. Reports were also given on the Fishwater Hydro, Friant II Hydro and the Peak Load Reduction Program.

Under AFRP Project, a status reports were given on the activities of Ginger Bryant and Greg Wang and the water right lease with the Bureau of Reclamation. Also discussed was the need to continue to do what we can to get Congressman Herger's blessing on the lease.

A discussion was then held regarding activities of the Friant Water Users Authority, most particularly and of concern to some members is the fact that a few districts want a significant if not a major reorganization of the Authority and staffing. As such, Chairman Upton, has engaged Personnel and Policy committees to help define a process to evaluate the JPA organization and structure.

Under Water Banking Opportunities, Manager Chandler reported that Consultant Harvey Williams is plotting the well log information gotten from the Department of Water Resources and developing a process to evaluate the effects of implementing an in lieu banking program.

Under Land Annexation and Detachment, Consulting Engineer, Dennis Keller, appeared before the Board at the District's request to discuss methods of evaluating the benefits that may still be received by lands should they be permitted to detach from the District. After discussion, Director Brown offered a motion to authorize a study to be conducted by Mr. Keller not to exceed \$15,000 with that cost be charged to the first lands to be detached should the Board approve a detachment procedure. The motion was seconded by Director Collin and unanimously approved by the Board.

Under NRDC v Patterson, a status report was given on the efforts to settle the litigation through the use of a mediator.

With no further business to discuss, the Regular Board meeting was adjourned at 3:30 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, May 14, 2003. The Meeting was called to order at 11:53 A.M., with the following Directors and Officers:

Directors:	Harvey A. Bailey, President Richard D. McFarlin Henry A. Collin, III David A. Brown
Officers:	James C. Chandler Engineer-Manager-Secretary Robert Ramirez, Controller / Treasurer
Others:	Arlen Miller, Landowner Harvey Williams, Consultant Jon Chessum, Auditor
Absent:	James O. Orlopp, Vice President

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

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

Bills totaling \$235,420.81 were then discussed. After discussion, Director McFarlin 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. Water was then discussed. The Bureau's declaration had been moved upward to 100 percent for Class I with the expectation of about 10 percent Class II water. By motion by Director McFarlin, second by Director Collin, the Board authorized the sale of the carryover water supply at \$85 per acre foot. President Bailey then reported on activities of the Central Valley Project Water Association and the Family Farm Alliance. Other related issues were discussed.

Under the 2002 Audit, CPA Jon Chessum reviewed the independent auditor's report and the District's audited financial statements. Mr. Chessum reported that in their opinion the audited financial statements present fairly the financial position of the District and the results of its operations for the year ended December 31, 2002, in conformity with generally accepted accounting principles.

A discussion was then held to consider consolidating district director elections with other elections to be held November 4, 2003. After discussion, Director McFarlin offered a motion to approve a resolution to consolidate the elections with authorization for the President and Secretary to sign the resolution on behalf of the District. The motion was seconded by Director Collin and unanimously approved by the Board.

Excess Revenues and District Reserves were then discussed. CPA Chessum affirmed the 125 % rate covenant required by the 1996 COP Installment Purchase Agreement. Mr. Chessum recommended that the District determine the adequacy of its District Reserve Fund for Operations prior to refunding any excess funds. Controller Ramirez agreed to update the District's 10 year projection to enable the Board to ascertain a reasonable District Reserve fund. A decision on refunding excess funds, if any, will be discussed at that time.

Under electrical Power, it was noted that no Board of Directors meeting for Friant Power Authority was held in April but Manager's Carlisle report was included in the Board packet. Status reports were also given on the District's power generation, the PLRP and the Friant II Hydro.

Under AFRP Project, a status report was given on the activities of Ginger Bryant and Greg Wang including Ginger's proposed use of outreach funds if granted in the appropriations bill. Ginger will outline her proposal for more detail discussion at the June Board meeting. The water right lease was still be held up waiting for Congressman Herger's approval to do the lease.

A discussion was then held regarding activities of the Friant Water Users Authority. Ron Jacobsma had been appointed by the Board of Directors to act as interim general manager while the Authority reviews its organizational structure and determines future leadership objects. Other related issues were discussed.

Under Water Banking Opportunities, Consultant Harvey Williams presented the historical data gained from well logs and monitoring and how the data can be used to evaluate opportunities and set policy should a groundwater banking program appear feasible for the District. The data will be complete enough at the June Board meeting to start developing guidelines toward moving to phase II.

A status report was then given on the Land Annexation and Detachment issue. Consultant Dennis Keller is expecting to have information for the June Board meeting to start addressing potential impacts from land detachments that would remain in irrigated agriculture.

A discussion was then held to consider supporting Randy Fiorini for Vice President of ACWA. After discussion, Director McFarlin offered a motion to support Mr. Fiorini. The motion was seconded by Director Brown and unanimously approved by the Board.

Under NRDC v Patterson, a status report was given on the breakdown settlement discussions and the referral back to Judge Karlton where the litigation will continue in his court.

With no further business to discuss, the Regular Board meeting was adjourned at 3:54 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, June 11, 2003. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers:

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

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

Others: Harvey Williams, Consultant  
Dennis Keller, Consultant

Absent: James O. Orlopp, Vice President

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

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

Bills totaling \$568,362.73 were then discussed. After discussion, Director McFarlin 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. District funds in the LAIF account was discussed. Several district and FWUA had removed some or all of their funds due to concerns the State, due to their budget crisis, may attempt to attach funds from LAIF. Dennis Keller informed the Board they encountered a 72-hour hold when they attempted to transfer funds. With those concerns, it was decided the District should check further on LAIF's operating policy while considerable funds are being withdrawn. Water was then discussed. With the significant increase in water supply due to April precipitation, opportunities to market OCID's carryover water were greatly reduced. Manager Chandler recommended setting the District's market price at \$60 per acre-foot which might provide the needed opportunity to market the carryover supply. The Board concurred with the recommendation. Other related issues were discussed.

Workers Compensation Insurance coverage was then discussed. Controller Ramirez reviewed a proposal from Special District Risk Management Authority. The proposal had conditions attached that might not be in the best interest of the District for the term required by the proposal. State Fund had not released its rates as of this date but was supposed to by the middle of the month. After discussion, Director Collin offered a motion to take coverage from State Fund if their rates did not exceed the Special District's rates by more than \$1000 and did not contain conditions similar to Special District's. Otherwise, accept the Special District's proposal. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Under electrical Power, Issues discussed at the Friant Power Authority Board meeting including the proposed 2004 budget were reviewed with the Board. Status reports were also given on the District's power generation, the PLRP and the Friant II Hydro.

Under AFRP Project, reports were given regarding efforts to get the Mill Creek water lease signed including Director Collin's visit Congressman Herger staff which the Bureau indicates they are waiting clearance to sign the lease. Also discussed was the status of the appropriations for the outreach program and the contract with Ginger Bryant and Greg Wang. The contract was put on hold until there is certainty with the appropriations and funding.

Regarding Friant Water Users Authority issues, reports were given regarding the agreement with Westlands Water District and efforts to resolve differences amount members of the authority. Other related issues were discussed.

Under Water Banking Opportunities, Consultant Harvey Williams presented the results of his Phase I study concluding that the groundwater basin area studied has some potential to balance wet and dry year supplies within the District. With this result, the Board agreed to move to Phase II wherein criteria will be developed and evaluated with landowners to determine if a viable program can be developed within the District.

A discussion was then held to consider if there are programs that the District could develop with Metropolitan Water District for water quality benefits to MWD and other benefits for OCID. Due the location of OCID, there appeared no opportunity for OCID to work directly with MWD. However, if there were some joint facility to be developed with the authority or a group of districts, OCID would have an interest in evaluating its opportunities to participate.

Under Land Annexation and Detachment, Dennis Keller appeared before the Board to discuss alternatives that may be evaluated for Board consideration of setting detachment policy. After discussion, the Board provided direction for Mr. Keller to proceed with the study for District and Counsel review.

The 1 North Crawford Avenue Pipeline was then discussed. Dennis Keller presented a historical perspective of the 1North System and the Crawford Avenue Pipeline development and, the annexation of land into OCID. Mr. Keller also presented his analysis of the deficiencies and potential solutions for the Crawford Avenue facility. After discussion, the Board directed Mr. Keller and District staff to continue the process for an equitable solution for all parties.

Under Champions of Industry, Manager Chandler briefed the Board on an invitation to participate in a nationally published leader of industry program. The participation would have involved considerable staff time and money, if selected. After discussion, the Board declined the offer to participate.

Under NRDC v Patterson, reports were given on the status of the litigation and efforts the Friant group is putting forth to prepare for going back to court.

Under Personnel, a discussion was held regarding personnel performance and, salary and benefits review. After discussion, Director Collin offered a motion to provide a cost-of-living adjustment of 2.3 percent to staff other than District Manager and, cap employee dependent (spouse and/or family) benefits at \$500. The motion was seconded by Director McFarlin and unanimously approved by the Board.

With no further business to discuss, the Regular Board meeting was adjourned at 5:48 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Monday, June 30, 2003. The Meeting was called to order at 3:45 P.M., with the following Directors and Officers:

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

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

Absent: James O. Orlopp, Vice President

After call to order, Manager explained the purpose of the meeting was to re-evaluate OCID's involvement in Mill Creek including ownership of water rights on the stream which is supposed to be leased to the US Bureau of Reclamation. Mill Creek Conservancy has expressed an interest in purchasing the water rights so the Conservancy, along with Los Molinos Mutual Water Company and California Department of Fish and Game, can apply the water for instream benefits.

The purpose of OCID's involvement was discussed. After discuss, the Board director Manager Chandler explore options to transfer the water rights to the Conservancy with compensation to the District.

With no further business to discuss, the Special Board meeting was adjourned at 4:30 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, July 9, 2003. The Meeting was called to order at 11:42 A.M., with the following Directors and Officers:

Directors:	Harvey A. Bailey, President Henry A. Collin, III David A. Brown
Officers:	James C. Chandler Engineer-Manager-Secretary Robert Ramirez, Controller / Treasurer
Others:	Arlen Miller, Landowner
Absent:	James O. Orlopp, Vice President Richard D. McFarlin

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board of Directors meeting of June 11, 2003 and the Special Board of Directors meeting of June 30, 2003. Director Collin offered a motion to approve both sets of minutes as mailed. The motion was seconded by Director Brown and unanimously approved by the Board.

Bills totaling \$440,755.27 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 related activities of the Accounting Department. Water was then discussed. Considerable water was moved from Millerton Lake during the declaration of "Uncontrolled Season". After the reservoir was brought under control, the Class II declaration was set at five percent (5%). With the low Class II declaration, OCID marketed 7300 acre-feet of carryover water to Kern-Tulare and Rag Gulch districts. President Bailey reported on activities of CVPWA and Family Farm Alliance. Chris Mathys, candidate for State Assembly, appeared briefly before the Board to discuss District issues and seek support for his election.

Under Delinquent Accounts, a discussion was held to consider how best to proceed with collections since some accounts were accumulating significant amounts of unpaid bills. After discussion, Director Brown offered a motion to start the Certificate of Sales process to shorten the time in which the District could collect monies owed. The motion was seconded by Director Collin and unanimously approved by the Board.

Under electrical Power, Director Brown and Manager Chandler reported on activities of Friant Power Authority including salary adjustments and the new budget which was down about \$200,000 from the previous year. Revenue reports were given for FPA, FWR and KRSH. Status reports were also given for the PLRP and the Friant II Hydro.

Under AFRP Project, a report was given on the meeting with Burt Bundy, Mill Creek Conservancy and Jim Lowden, representative for Los Molinos Mutual Water Company, concerning interest in transfer the OCID purchased water rights to the Conservancy. Items discussed were how to get the most from the plan prepared by the district in the transfer and purchase price. Interest was expressed to work toward the transfer.

Regarding Friant Water Users Authority issues, President Bailey and Manager Chandler reported on the facilitation process noting that all home board members are welcome to attend the group facilitation meeting to be held July 29<sup>th</sup>. Other related issues were discussed.

Under Water Banking Opportunities, it was reported that no progress had been made in evaluating alternatives for implementing a water banking program.

Under Land Annexation and Detachment, it was reported that the Keller report regarding land detachment had not been completed for District and Counsel review. Also reported, the LAFCO application to annex replacement lands into the District was still waiting on final maps for the application.

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

Under Pacific Legal Foundation, a discussion was held to consider supporting the activities of the Foundation. After discussion, Director Brown offered a motion for direct support of \$500 with a letter notifying the Foundation that we were also supporting through the Friant Water Users Authority. The motion was seconded by Director Collin and unanimously approved by the Board.

Under NRDC v Patterson, reports were given on the status of the litigation and efforts the Friant group is putting forth to prepare for going back to court.

With no further business to discuss, the Regular Board meeting was adjourned at 3:43 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 13, 2003. The Meeting was called to order at 11:53 A.M., with the following Directors and Officers present:

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

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

Others: Arlen Miller, Landowner

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board of Directors meeting held July 9, 2003. Manager Chandler reported a revision to the mailed minutes. Director Brown then offered a motion to approve the minutes as revised. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Bills totaling \$718,420.54 were then discussed. After discussion, Director McFarlin 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. Water was then discussed. Water usage in the District remains quite low compared to historical usage. The projected usage for the remainder of the irrigation season leaves a balance of about 8,000 acre-feet. It was recommended and confirmed by the Board that the District should try to sell or bank 5,000 acre-feet. President Bailey reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed.

Late Payment Penalties was then discussed. A letter from Linda Dodge requesting a waiver of a late payment penalty on behalf of Stanley Beach properties was considered and rejected by the Board in that there was no substantiation payment was made timely to the District.

Under Property Liens and Certificates of Sale, Controller Ramirez reviewed with the Board the District's procedures to collect unpaid delinquent rehab standby charges. After discussion, Director McFarlin offered a motion to initiate an assessment sale of properties with unpaid rehab standby charges delinquent since assessment year 2001. The motion was seconded by Director Orlopp and unanimously approved by the Board.

A discussion was then held to consider whether there were things the District could or should be doing to better serve the District's constituents. Suggestions included meeting one-on-one particularly with landowners not using District water to determine issues; push to get Friant-Kern Canal automated for flexible delivery and develop more awareness of real cost between use of District water and well water and, the long term risk of not using District water.

Under electrical Power, Director Brown and Manager Chandler reported on a teleconference of the FPA Board to approve battery acquisition bids which were considerably higher than expected. Revenue generation and the need to address insurance issues with the Authority were also discussed. Also discussed were revenue generation for FWR and KRSB and status reports for the PLRP and the Friant II Hydro.

Under AFRP Project, Manager Chandler reported that Burt Bundy was struggling with the grant application due to a lot of uncertainty or direction from the Bureau. Chandler suggested that the District help with the scoping of the application due to the critical timing to get consideration this fiscal year. Even though the Board was not in full agreement to spend more money on this project, all agreed the chances of getting money from the transfer of water rights on a timely bases were much improved with District help.

Regarding Friant Water Users Authority issues, President Bailey and Manager Chandler reported on the facilitation process. Minutes from the first facilitation meeting and schedules for upcoming meetings were noted. Other related issues were discussed.

Under Water Banking Opportunities, an analysis was discussed that showed the cost involved in a banking program within the District and the assumptions made. After discussion, the consensus was that more of an incentive would need to be offered to participant and such information could best be gained by talking directly with potential landowner that might participate in the program.

Under Land Annexation and Detachment, Manager Chandler reported on some of the more recent issues with Wileman Brothers and Elliott, Inc. A discussion was also held regarding the Keller study and some of the issues he brought up as the results of discussions he had with landowners in the District. The Board was taken back by the fact that discussions were taking place with landowners regarding the study which is for the purpose of the Board setting policy. The Board directed Chandler to inform Mr. Keller that his actions were considered improper and in conflict with Board direction for the study. Also discussed was the application for annexation of property into the District. In particular, the Board was requested to take action on the Initial Study (environmental analysis) and the resolution requesting LAFCO to take action. After discussion, Director Orlopp offered a motion to approve the Initial Study. The motion was seconded by Director Brown and unanimously approved by the Board. Director Orlopp then offered a resolution to request the LAFCO to annex certain properties into the District. The resolution was seconded by Director McFarlin and unanimously approved by the Board.

The Draft 2004 Budget was then discussed. Controller Ramirez reviewed items of the budget and the basis on which the budget is developed. Full review for consideration for approval will be held at the September Board meeting.

Under NRDC v Patterson, reports were given on the status of the litigation and efforts the Friant group is putting forth to prepare for going back to court.

With no further business to discuss, the Regular Board meeting was adjourned at 3:10 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 10, 2003. The Meeting was called to order at 11:43 A.M., with the following Directors and Officers present:

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

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

President Bailey opened the meeting and asked if there were any changes to the agenda. Director Collin asked that a discussion regarding Orange Cove Prisons be added to the agenda. The Board agreed and the matter was added as item 22 for discussion.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board of Directors meeting held July 9, 2003. Hearing none, Director Collin offered a motion to approve the minutes as prepared. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Bills totaling \$501,175.21 were then discussed. After discussion, Director Orlopp offered a motion to approve the bills. The motion was seconded by Director McFarlin and unanimously approved by the Board.

The Regular Board meeting was then recessed at 11:50 AM and convened as the Board of Equalization for the Board of Equalization Hearing. On a call for election of officers, Director Brown offered a motion to appoint Harvey Bailey as President and retain James Orlopp as Vice President. The motion was seconded by Director McFarlin and unanimously approved by the Board. In that no person or persons appeared for the hearing, the Board of Equalization Hearing was adjourned at 11:55AM.

The Board then reconvened for District business and Monthly Report issues were discussed. Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Manager Chandler reported on water usage and efforts to sell or bank 5,000 acre-feet. President Bailey reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed.

Under Property Liens and Assessment Sales, Controller Ramirez reported that an assessment sale date had been duly noticed in the local newspapers and lien notices were mailed to all landowners of record with delinquent rehab standby charges. An opportunity to bring delinquent accounts current before the assessment sale date was offered. After discussion, the Board reaffirmed the assessment sale date of September 25, 2003.

Under the 2004 Budget, Controller Ramirez presented the budget and reviewed the procedure to set the revenue rates to comply with the covenant requirements of the COP indenture. After considerable discussion, Director Orlopp offered a motion to approve the 2004 Budget and set the Per Acre Rates at \$76.92 for acreage with Rehab, and \$13.50 for acreage without Rehab. The motion was seconded by Director McFarlin and approved on majority vote. Director Brown abstained from the vote.

Controller Ramirez then reviewed an analysis and methodology for annual review of District Reserves and Excess Net Revenues with the intent of developing District policy if the methodology is acceptable to the Board. The Board agreed with the methodology presented and directed staff to proceed to draft a policy for Board review at the next regular meeting of the Board.

Under Computer/Printer Acquisition, a proposal to up grade the District's server and other equipment was discussed. After discussion, Director Collin offered a motion to approve the purchase subject to review by consultants at Baker, Peterson and Franklin office. The motion was seconded by Director Brown and unanimously approved by the Board.

A discussion was then held regarding the District's pipe crossing on Friant-Kern Canal for System 4. The issue of concern was capacity in that the pipe is 8 inch where the District's minimum size for pipe in the distribution system is 12 inch. The decision to leave the 8 inch canal crossing pipe in place at the time of system upgrade was based on the fact that it could serve the lands downstream at 5 gpm/acre which was system design capacity. After discussion, the Board offered to pay one-third of the cost if each of the other two landowners would pick up one-third of the cost also.

Under electrical Power, Manager Chandler reported that there was no FPA Board meeting for the month of August but reports furnished by FPA was included in the Board packet. Revenue generation for FWR and KRSH and status reports for the PLRP and the Friant II Hydro were given including the 50% payment on the PLRP for systems 11 and 13.

Under AFRP Project, Manager Chandler reported that Burt Bundy, Mill Creek Conservancy, has gotten a draft grant application to the Bureau for transfer of the OCID water rights owned by the District. However, Mr. Bundy did not have final agreement with the Mutual as to how much exchange water the Mutual was willing to work with the Conservancy. Discussion was also held regarding the potential appropriations the District might receive to further the concept of stakeholder involvement in the CVPIA restoration efforts.

Regarding Friant Water Users Authority issues, President Bailey and Manager Chandler reported on the facilitation process. Also discussed was the legal position regarding fiscal obligations should some members elect to withdraw from the Authority. A call for funds of \$450,000 for the Authority (\$15,979.31 OCID share) was also discussed. After discussion, Director Brown offered a motion to pay the OCID call.

Under ACWA Issues, discussions were held regarding principles for public service agencies, elections for Region 6 and serving on ACWA Committees. After discussion, the Board elected to develop principles comparable the ACWA guidelines once they are finalized, vote the election committee's recommendation for Region 6 but, there was no interest expressed to serve on any of the committees.

A discussion was then held regarding Tulare County's request for special district boards to vote for representation on an oversight committee for special districts in Tulare County. After discussion, Director Brown offered a motion to support Eric Limas from Lower Tule River Irrigation District. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Under Water Banking Opportunities, Manager Chandler reported that field interviews with landowners had not started due to lack of staff time and other priorities.

Under Land Annexation and Detachment, Manager Chandler reported that the draft application for lands to be annexed into the District had been completed and was ready for review by LAFCO staff for completeness before formal submittal. It was also reported that the Keller report had not been completed and Mr. Keller was requesting addition information to complete his work.

A discussion was then held in consideration of selling the two diesel engines owned by the District. After discussion, Director Orlopp offered a motion to sell both engines for \$1250. The motion was seconded by Director Brown and unanimously approved by the Board.

Under NRDC v Patterson, reports were given on the status of the litigation and efforts the Friant group is putting forth to prepare for going back to court.

A discussion was then held regarding the possibility that the City of Orange Cove was moving forward on approving a prison for the Orange Cove area over considerable objections from landowners due to critical shortage of water in the area. After discussion, the Board directed Manager Chandler to find out if there were renewed activities for a prison in the area.

With no further business to discuss, the Regular Board meeting was adjourned at 3:37 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 8, 2003. The Meeting was called to order at 11:40 A.M., with the following Directors and Officers present:

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

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

Others: Virginia Bryant, Consultant  
Dennis Keller, Consultant

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board of Directors meeting held September 10, 2003. Director Collin noted a typing error under Land Annexation and Detachment. Director Brown offered a motion to approve the minutes as corrected. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Bills totaling \$491,163.74 were then discussed. After discussion, Director McFarlin offered a motion to approve the bills. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The Monthly Report was then discussed. Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Manager Chandler reported on efforts to move surplus water, draft water rates for 2004 and water quality issues. President Bailey reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed.

Under Excess Net Revenues, Controller Ramirez reported on his analysis to determine excess net revenue. From the analysis, the excess net revenue amount was determined to be \$235,165. After discussion, Director McFarlin offered a motion to rebate the excess net revenue equally (per acre basis) to lands with rehab charges. The rebate would be applicable to landowners of record on of January 1, 2004. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under Property Liens and Assessment Sales, Controller Ramirez reported that Certificates of Sale (Liens) were recorded on properties assessed to Reginaldo & Rosalinda Gonzalez and Manuel & Maria Gallardo.

Under Liability Insurance, Controller Ramirez reported on solicited cost quotes for liability insurance coverage for the renewal policy year beginning October 1, 2003. Ramirez also reported that the Board could increase coverage at an additional cost of \$2,200 per \$1 million coverage in excess of \$8 million. After discussion, Director Brown offered a motion to ratify staff's decision for \$8 million aggregate liability insurance coverage with Rural Special Districts Insurance Services at an annual premium of \$15,204.36. The motion was seconded by Director McFarlin and unanimously approved by the Board.

Under electrical Power, Director Brown reported on the FPA Board and activities to get the Madera Plant back online. Revenue reports were given for FPA, FWR and KRSH including annual generation reports for FWR and KRSH. A discussion was then held to consider contracting out painting of the penstock in the powerhouse for FWR. After discussion, Director McFarlin offered a motion to approve a contract with Cal-Blast, Inc. in the amount of \$3,140. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under AFRP Project, Virginia Bryant appeared before the Board to discuss her efforts to get appropriations earmarked for OCID's Mill Creek Project. A change in the appropriation language was noted as needed to provide more flexibility for the funds. Reports were also given on discussions with USBR and Mill Creek Conservancy regarding this issue.

Under Friant Water Users Authority issues, President Bailey and Manager Chandler reported on the facilitation process, Westlands issues and withdrawal of Hills Valley ID from the Authority. Also discussed was a \$444.67 increase in the Call for Funds resulting from the change in membership. Manager Chandler recommended approving the change which is a requirement to continued membership participation. After discussion, Director McFarlin offered a motion to approve the increase. The motion was seconded by Director Brown and approved by majority vote. Director Orlopp abstained from the vote.

Under Permit Fees, Manager Chandler reported on efforts by the state to increase fees for water rights and licenses. Chandler also reported that this would most likely lead to an increase in reclaimed water permit fees due to the State's budget crisis. The District paid \$900 in 2002 and only received 46 acre feet from the City and no water in 2003. After discussion, Director Orlopp offered a motion to terminate the contract with the City and the permit with the Regional Water Quality Control Board to use reclaimed water on District land. The motion was seconded by Director McFarlin and approved by majority vote. Director Brown abstained from the vote.

Under Water Banking Opportunities, Manager Chandler reported that field interviews with landowners had not started due to lack of staff time and other priorities.

Under Land Annexation and Detachment, Dennis Keller appeared before the Board to brief them on his study to evaluate options for setting detachment fees should the Board elect to accept voluntary detachment. After discussion, the Board directed staff to get counsel review so the Board can fully address all issues relative to this matter at the next Board meeting.

A discussion was then held to consider an outreach program with California Farm Water Coalition for the Friant group at a cost of 10 cents per acre for five year. After discussion, the Board elected to not participate.

Under NRDC v Patterson, reports were given on the status of the litigation and efforts the Friant group is putting forth to prepare for going back to court.

With no further business to discuss, the Regular Board meeting was adjourned at 3:38 PM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, November 14, 2003. The Meeting was called to order at 8:10 A.M., with the following Directors and Officers present:

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

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

Others: Arlen Miller  
Dennis Keller, Consultant

President Bailey opened the meeting and asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as mailed.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board of Directors meeting held October 8, 2003. Director McFarlin offered a motion to approve the minutes. The motion was seconded by Director Brown and unanimously approved by the Board.

Bills totaling \$427,093.26 were then discussed. After discussion, Director McFarlin offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

The Monthly Report was then discussed. Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Manager Chandler reported on the exchange of 5700 acre-feet of water with Southern San Joaquin Municipal Utility District. President Bailey reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed.

Vice President Orlopp joined the meeting at 8:40 AM.

Under Land Annexation and Detachment, a discussion was held with Consultant Dennis Keller who was present for the meeting and Jeff Meith by conference phone regarding policy issues relating to detachment of lands from the District. Counsel Meith advised the Board that the District could not have total control over land detachment from the District since the law now permits applications directly from a land owner to LAFCO. After Discussion, Director Brown offered a motion to have Consultant Keller finalize his report and Counsel Meith to draft policy for Board consideration at the next regular meeting of the Board. The motion was seconded by Director McFarlin and unanimously approved by the Board.

President Bailey called a recess from the Regular Board meeting at 9:45 AM for a CEQA Hearing concerning lands to be annexed into the District. In that no persons appeared for the Hearing and no written comments were submitted, Manager Chandler reviewed the process and recommended the adoption of a Negative Declaration. Director Brown offered a motion to approve the Negative Declaration. The motion was seconded by Director McFarlin and unanimously approved by the Board. Manager Chandler then recommended that the Board approve the action to move forward with the annexation project. Director Orlopp then offered a motion to approve the project. The motion was seconded by Director Brown and unanimously approved by the Board.

The Board reconvened its regular meeting at 9:50 AM to discuss Friant Water Users Authority issues. Changes to the Authority's Joint Powers Agreement and the newly drafted Bylaws were discussed. After discussion, Director McFarlin offered a motion to accept the revised JPA with latitude given to President Bailey as OCID's Director to the Authority to negotiate minor language changes to the JPA; support Ron Jacobsma for the manager position, and; support the position of giving latitude to the President of the Authority to represent the Authority in an effective manner. The motion was seconded by Director Brown and unanimously approved by the Board.

Under electrical Power, It was reported that Friant Power Authority did not hold a Board meeting in October but generation and revenue reports were enclosed in the Board packet. Revenue reports were also given for FWR and KRSH. A discussion was held regarding the estimated cost to amend the District's FERC license for another unit at Friant Dam. The Peak Load Reduction Program was also discussed including the proposed water user refund resulting from energy cost saving for participants in the program. After discussion, Director Brown asked that the Friant II Hydro (FERC license amendment) be placed on the agenda for Board discussion in consideration of whether pursuing the license amendment was in the best interest of the District.

Under AFRP Project, Manager Chandler reported that a Letter of Intent had been drafted at the Bureau's request to transfer the Mill Creek water rights to the Mill Creek Conservancy as part of the grant application with the Bureau. Also reported was the language change in the appropriations bill requested by OCID and that requested by the Bureau.

Under Office Improvements, Manager Chandler requested the Board to consider having custom file cabinets built for the Controller's office. An estimate from FWUA was reviewed along with that of a cabinet maker for consideration. After discussion, Director McFarlin offered a motion to approve the requisition through the Authority. The motion was seconded by Director Brown and unanimously approved by the Board.

Under SWRCB User Fees, a discussion was held regarding the proposed fees by the State Board and the issues of concern by the water users including whether the fees are legal if the Board is not providing a direct service to the water user.

A status report was then given on the Ag Discharge Waiver. The November 1, 2003 deadline to sign up for the waiver or other programs to participate under had been stayed until after the first of the year. Those areas working under coalitions, including the Southern San Joaquin Valley Water Quality Coalition, had submitted Letters of Intent with the Board. To get all landowner names submitted by that deadline was an impossible task which, in part, was the reason for the Board to allow more time for completing the process.

A status report was then given on the District's intent to terminate the Reclaimed Water Agreement with the City. A draft Mutual Consent to Terminate Agreement was delivered to the City for approval by City Council.

Under Health Insurance, Controller Ramirez reported on the changes that would occur in the coming year in consideration of whether the District should change insurance plan or carrier. After discussion, Director Orlopp offered a motion to continue the current plan. The motion was seconded by Director McFarlin and unanimously approved by the Board.

A discussion was again held to consider an outreach program with California Farm Water Coalition after Manager, Mike Wade, made a presentation to the Friant Water Users Authority on the objectives of the program. After discussion, the Board elected to not participate.

Director Collin joined the meeting at 11:15 AM.

Under NRDC v Patterson, a status report was given on the efforts by the Friant group to get prepared to litigate the issues before Judge Karlton in Federal District Court.

With no further business to discuss, the Regular Board meeting was adjourned at 11:25AM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, December 16, 2003. The Meeting was called to order at 11:35 A.M., with the following Directors and Officers present:

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

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

President Bailey opened the meeting and asked if there were any changes to the agenda. Manager Chandler suggested adding an item for discussion in consideration of applying for a grant for groundwater banking. The urgency for discussion is the time-line for submitting the grant application. Director Collin offered a motion to add the item to the agenda. The motion was seconded by director Brown and unanimously approved by the Board.

Under election of officers, Manager Chandler asked for clarification to the December 2002 minutes since they only reference a two year term for the Board President. The question was whether all officers were to serve a two year term which was confirmed by the Board. No further action was taken on this matter.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board of Directors meeting held November 14, 2003. Director McFarlin offered a motion to approve the minutes. The motion was seconded by Director Brown and unanimously approved by the Board.

Bills totaling \$387,128.34 were then discussed. After discussion, Director McFarlin offered a motion to approve the bills. The motion was seconded by Director Orlopp and unanimously approved by the Board.

The Regular Board meeting was recessed at 11:52 AM and convened as the Board of the OCID Financial Corporation. After conducting business for the Financial Corporation, that meeting was adjourned at 12:01 PM and reconvened the OCID Board meeting.

The Monthly Report was then discussed. Controller Ramirez reported on the financial standing of the District and other related activities of the Accounting Department. Manager Chandler reported on the exchange of 5700 acre-feet of water with Southern San Joaquin Municipal Utility District and a sale of 300 acre-feet to the City of Orange Cove. President Bailey reported on activities of CVPWA and Family Farm Alliance. Other related issues were discussed including the grant payment for the water program update.

Under Water Rates and Related Issues, preliminary water rates for 2004 were discussed along with whether to consider a different payment schedule and the draft Rules and Regulation for the coming year. It was noted that the Bureau of Reclamation had not issued their rate schedule. After discussion, Director McFarlin offered a motion to adopt the rate schedule, maintain the current payment schedule and adopt the Rules and Regulations subject to new information being provided before water applications are mailed to water users. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Friant Water Users Authority issues were then discussed including a call for next quarter call for funds. It was reported that the amended Joint Powers Agreement for the Authority did not receive unanimous vote as required by current agreement in order to change the voting requirements. The lone holdout was Madera Irrigation District. After further discussion on the various other Authority issues, Director Collin offered a motion to pay OCID's share of funds to continue current Authority operations. The motion was seconded by Director Brown and unanimously approved by the Board.

Under Land Annexation and Detachment, a draft policy resolution was discussed which would amend current policy pertaining to land detachment and annexation. Manager Chandler recommended adoption of the policy with minor edifications to shorten its length. After discussion, Director McFarlin offered a motion to accept the policy with edifications as recommended by staff and Counsel. The motion was seconded by Director Orlopp and unanimously approved by the Board.

Under Property Liens, Controller Ramirez presented a list of delinquent property owner with delinquent accounts and recommended to the Board a resolution to file Certificates of Liens on those properties. After discussion, Director Orlopp offered a motion to approve the resolution. The motion was seconded by Director Collin and unanimously approved by the Board.

Under electrical Power, reports were given on activities Friant Power Authority, revenue generation for Fishwater Hydro and Kings River Siphon Hydro. Also discussed was Lon House's presentation at ACWA where he and other continue to insist that future pricing will be on based time of use.

The Friant II Hydro was then discussed. After discussion, Manager Chandler offered to have the consultants refine their cost estimate to prepare the FERC amendment since we now have a better handle on what will be required by the regulatory agencies.

Under AFRP Project, reports were given on discussions with various agency folk on how the appropriations may be used and other reports that OCID would not get the funds approved by appropriations. Ginger Bryant recommended that the District send thank you letters to congressmen supporting the appropriations for the District. She and the Ferguson Group would continue to do what they could to get the funds directed to OCID.

A status report was then given regarding the District's intent to terminate the Reclaim Water Agreement. The City asked that the District pay the Regional Board's usage fee which they would reimburse to the District while they transition into their new program. Acting City Administrator, Bill Little, also suggested he would like to re-evaluate the current program of tertiary treatment with the intent of continuing to work with the District.

Under Water for Orange Cove High School, a discussion was held to consider whether the District would consider a proposal to provide water for lawn irrigation. After discussion, the Board directed staff to evaluate what would be involved and whether it could be done under the District's water supply contract and report back to the Board.

Under Personnel, Manager Chandler informed the Board of a general timeline in which he plans to retire. He also asked the Board to start thinking about future goals and objectives and type of leadership they desire for the District so a coordinated effort could be made for the transition.

Under NRDC v Patterson, a status report was given on the efforts by the Friant group to get prepared to litigate the issues before Judge Karlton in Federal District Court.

With no further business to discuss, the Regular Board meeting was adjourned at 3:25 P.M.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, December 30, 2003. The Meeting was called to order at 8:00 AM, with the following Directors and Officers:

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

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

Others: Richard Moss, Consultant

After call to order, Manager Chandler explained that the purpose of the meeting was for Board to consider whether to apply for grant funds to pursue the District's groundwater management activities. Funds are being made available under AB 303 through the California Department of Water Resources. The urgency of the meeting was driven by the fact that the application was due on or before January 28, 2004. After a brief overview of District activities regarding this matter, Mr. Moss reviewed a proposal by Provost and Pritchard Engineering Group to prepare an application for funds including items that should be a part of the application. The cost to the District for the application was not to exceed \$5,000. After discussion, Director Orlopp offered a motion pursue the application. The motion was seconded by Director Brown and unanimously approved by the Board.

Mr. Bill Benson then appeared before the Board to register a complaint about having to pay a penalty for late payment of Standby charges. Mr. Benson was informed that he could present his case to the Board but the Board would not be able to take any action relative to his issue since it was a Special Board noticed for a single item of business. Board action would constitute a violation of the Brown Act. Mr. Benson was informed that the matter would be placed on the agenda for discussion at the regular meeting of the Board in January.

With no further business to discuss, the Special meeting of the Board was adjourned at 9:13 AM.

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Harvey A. Bailey, President

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James C. Chandler, Secretary

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