

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday January 13, 2016. Chairman Bailey called the meeting to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: John Sanders, Operations Supervisor
Alfonso Manrique (City of OC Consultant)
Gary Horne (City of OC Consultant)

NOTE: Meeting Action Items are noted in bold italicized font.

1. Call to order.
Chairman Bailey called the regular Board of Directors meeting for January 2016 to order at 11:50 A.M. with all Directors present.
2. Additions to and approval of the Agenda.
Manager Morrissey noted an addition to the Agenda, Item 15, consideration of the District to be named in a tolling agreement with the State Water Resources Control Board regarding the 2014 and 2014 State Board TUCP. By motion of Director Katayama, Second by Director Miller and a vote of all in favor of modifying the Agenda, Item 15 was included and will be considered for Board Action.
3. Public Comments.
No public comment.
4. Approval of Minutes
Director Miller motioned, and following a second by Director Brown the Board voted unanimously in favor of the motion approving the minutes prepared for the December 2015 Board Meeting.
5. Approval of Bills.
Controller Ramirez reviewed the warrants for approval for the period December 10, 2015 through January 6, 2016, totaling \$500,102.46.
Controller Ramirez noted major and/or atypical expenditures.

After general discussion on the bills, Director Miller motioned to approve the bills and Director Brown seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented.
6. City of Orange Cove Recycled Water Grant Application
Consultants for the City of Orange Cove discussed the basic concept and volumes of tertiary treated effluent that could be delivered to the District. The City will be applying for Proposition 1 Bond money and as part of that application needs to demonstrate the potential willingness of a partner to accept the water, or as part of the design, acquire additional lands for percolation. The City prefers to convert the wastewater into an exchanged Class 1 supply from the District in lieu of percolation.

At the end of the discussion the District asked for three items from the City:

1. Laboratory analysis of the existing wastewater, which undergoes secondary treatment, and
2. TDS concentration loading by the population of Orange Cove who use FKC Class 1 water as an input, and
3. A sample Letter of Intent for the District's consideration to facilitate drafting a LOI between the City and the District.

The Board expressed to the City's consultants that they were indeed interested in considering taking delivery of the City's tertiary treated wastewater, pursuant to arriving at mutually acceptable terms with the City. The Board indicated that it would provide the City, at this time, a LOI to that effect for the City's application for funding with the State under Proposition 1.

7. Draft OCID Water Rates

Due to uncertainties related to supply for the 2016 Contract Year, the Board tabled this discussion until the regularly scheduled February 2016 Board of Directors Meeting.

8. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage total for 2015/16 Contract Year, water deliveries to date for the water year of 9,143 acre feet (according to Friant Meter, OCID meter data is within 1.5 % of that value) and various financial categories including power plant revenue, LAIF balance and performance and return and CD's.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time.

No action resulted from the discussion on the Monthly Report.

9. Water Management

Manager Morrissey discussed the El Nino outlook, and the current operational outlook for 2016. In summary, precipitation in the northern part of the state is right around average and in the central region of the state is slightly above average. Conditions appear to be primed for an open door to atmospheric river events moving through for the foreseeable meteorological time period so there is reason for optimism. That said, the conditions in the Delta are not looking good and therefore, the level of supply the District may remain for the most part, a complete mystery at this time.

10. Electrical Power

Manager Morrissey discussed the topic in general, noting that Mr. Hagman of Lindmore ID has received support from his Board to be the GM of the FPA. The Advisory Committee will take this issue up and the FPA will likely consider this option at its January meeting.

11. Draft Rules and Regulations

This item was tabled until the water rates are set, which is expected to be at the February 2016 meeting.

Manager Morrissey discussed a first draft of R&R for 2016. Take and Pay issues were discussed and will not be implemented at this time. Revised R&R will be discussed at the next Board meeting as will setting the water rates for 2016 Contract Year.

12. FWA Issues

Manager Morrissey discussed various FWA issues. Discussion primarily focused on the fact that the FWA had hired a CEO. Jason Phillips. No action was taken by the Board.

13. Mill Creek Water Right

Manager Morrissey noted that there was nothing further to discuss on this topic at this time.

14. 457(b) Plan Restatement

The Board considered a Resolution to accept the revised Plan Documents associated with the District's 457 deferred compensation plan, as required in order to comply with evolving IRS regulations. No substantive changes were made to the existing Adoption Agreement, aside from clarification of provisions that the Board had already considered and approved. Director Katayama motioned to adopt the Resolution and Director Brown seconded the motion. The Board voted unanimously in favor of accepting the revised Adoption Agreement language in order to comply with federal law.

15. Tolling Agreement with the State Water Resources Control Board.

Manager Morrissey discussed the concept of being named as a Petitioner in the tolling agreement. Due to time constraints associated with this Agreement's submittal relative to the date of the Board Meeting, the action to be considered is not to have the District's name

removed from the Agreement. Subsequent to this discussion, Director Katayama motioned that the District retain its explicit inclusion in the Tolling Agreement. Director Brown seconded the motion and the Board voted unanimously in favor of retaining its name as a petitioner, explicitly, in addition to FWA being named as a petitioner.

16. Adjourn

The Board adjourned the meeting at 4:20 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday February 10, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday February 10, 2016. Chairman Bailey called the meeting to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary

Others: John Sanders, Operations Supervisor

NOTE: Meeting Action Items are noted in bold italicized font.

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for February 2016 to order at 11:50 A.M. with all Directors present.

2. Additions to and approval of the Agenda.

Manager Morrissey noted an addition to the Agenda, Item 16, concerning the Board's consideration of executing a services agreement proposal for water accounting software development from VIS. By motion of Director Brown, Second by Director Miller and a vote of all in favor of modifying the Agenda, Item 16 was included and will be considered for Board Action.

3. Public Comments.

No public comment.

4. Approval of Minutes

Director Miller motioned, and following a second by Director Katayama the Board voted unanimously in favor of the motion approving the minutes prepared for the January 2015 Board Meeting.

5. Approval of Bills.

Manager Morrissey reviewed the warrants for approval for the period January 14, 2016 through February 4, 2016, totaling \$166,544.99.

Manager Morrissey noted major and/or atypical expenditures.

After general discussion on the bills, Director Katayama motioned to approve the bills and Director Miller seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented.

6. Draft OCID Water Rates

Manager Morrissey discussed with the Board the water supply outlook and budget requirements in terms of that water supply outlooks relationship to the rate setting. After discussion, Director Katayama motioned that a single Irrigation Rate be established for the 2017/2017 Contract Year at \$95 per acre-foot. There will be no pumping rate adjustment in the rates this year in order to encourage use of available water supply. The motion also included an additional charge of \$19 be added to the \$95 rate for M&I water. Vice-Chairman Collin, III seconded the motion on establishing the rate. The Board voted unanimously in favor of the motion made by Director Katayama.

7. Monthly Report

Manager Morrissey covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage total for 2015/16 Contract Year, water deliveries to date for the water year of 9,175 acre feet (according to Friant Meter, OCID meter data is within 1.5 % of that value) and various financial categories including power plant revenue, LAIF balance and performance and return and CD's.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time.

No action resulted from the discussion on the Monthly Report.

8. Water Management

Manager Morrissey discussed the DWR B120 forecast based on the February 1 snow survey, status of residual water supply from the current contract year, Delta operations, potential EC call, SJRRP (Restoration Flows), recapture opportunities, etc.....that all play a part in determining forthcoming available water supply. Currently, it is not expected that there will be a less than 25% Class 1 declaration and incremental runoff gleaned from additional runoff, will accrue to the benefit of Friant Contractors. If the El Nino outlook holds up, there could and should be close to 100% Class 1 supply, however...obviously, future meteorology is out of our hands.

9. Electrical Power

Manager Morrissey discussed the topic in general, noting that Mr. Hagman of Lindmore ID has received support from his Board to be the GM of the FPA. The Board expressed no interest in having the District function in an FPA management role and thought that Mr. Hagman would do a fine job.

Considerable discussion was had regarding the Fishwater Power Plant regarding the potential liability on the District associated with its operation (fish mortality and maintenance of infrastructure not directly associated with the Plant (i.e. the tailrace pipeline)). In light of the low revenue currently being generated by the power plant and prospects for improvement in that regard as bleak as they are, the Board may seriously consider abandoning the power plant unless revised terms that make sense are developed in a revision to the existing Tri-Party Agreement (BOR, CaDF&W, OCID); one that removes liability from the District and shares maintenance of noted infrastructure with others.

The Board suggested that Manager Morrissey work and consult with General Counsel on the issues prior to further discussion with the other parties to the TriParty Agreement.

10. District Contribution to Employee medical coverage under existing health care options offered by ACWA JPIA.

11. 2016 District Rules and Regulations

Manager Morrissey discussed the draft rules and regulations. After discussion and some additional suggested revisions, the Board unanimously adopted a final set of R&R's to be delivered to landowners along with the water application for the upcoming Contract Year.

12. FWA Issues

Various FWA issues were discussed in open session. No action was taken.

13. Mill Creek Water Right

Manager Morrissey noted that there were no new updates to discuss with the Board at this time.

14. Document Retention Policy

Manager Morrissey discussed various options with the Board concerning development of a document retention policy. In general the Board expressed favor toward eliminating documents and records that serve no current or imaginable future purpose. Manager Morrissey will develop a draft Policy along with Controller Ramirez, for the Board's consideration in the upcoming months.

15. 2015 215 Contract

The Board considered adopting resolution 2016-01 to execute a 215 contract for the remainder of the Contract Year (through February). While excessive, unmanageable inflow is considered an extreme long shot in the next three weeks, there is no down side to executing said Temporary Contract. The Board voted unanimously in favor of adopting Resolution 2016-01 for a 2015, 215 Contract.

16. VIS Water Program Development Agreement.

The services agreement was discussed relative to competitive options. After discussion and deliberation, the Board was unanimous in approving execution of the services agreement with VIS, provided that the progress in the first 50 hours of time will serve as a basis for whether or not to continue further with VIS.

17. Adjourn

The Board adjourned the meeting at 4:04 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday March 9, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday March 9, 2016. Chairman Bailey called the meeting to order at 11:52 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: Scott Kuney, Young Wooldridge, General Counsel
(via telephone)
Jim Chandler, Former District GM
Michael McCrae, District Landowner
Rodney Deaver, Bee Sweet Ranch Manager
John Sanders, District Operations Supervisor

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for March 2016 to order at 11:52 A.M. with all Directors present.

2. Additions to and approval of the Agenda.

Manager Morrissey noted two Agenda item additions, 12 and 13; Conference with Legal Counsel on existing litigation and consideration of accepting amended and restated FWA JPA, respectively. By motion of Director Brown, Second by Director Miller and a vote of all in favor of modifying the Agenda, Items 13 and 14 were included and will be considered for Board Action.

3. Public Comments.

No public comment.

4. Approval of Minutes

Director Miller motioned, and following a second by Director Katayama the Board voted unanimously in favor of the motion approving the minutes prepared for the February 2016 Board Meeting.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period January 14, 2016 through February 4, 2016, totaling \$449,484.93, noting atypical expenditures.

Director Brown questioned the payment for Tulare Farm Show Tickets for staff. Supervisor Sanders indicated that next year; a vendor has informed him that they would provide tickets in order for staff to see their products at the show.

After general discussion on the bills, Director Brown motioned to approve the bills and Director Katayama seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented.

6. Monthly Report

Controller Ramirez covered Items A through J of the monthly report, including delinquent stand-by charges, excess water usage total for 2015/16 Contract Year, water deliveries for the 2015/16 Contract Year and various financial categories including power plant revenue, LAIF balance, performance and return and CD's and year end legal expenses.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time. Supervisor Sanders noted the landowners saved \$1,900 by virtue of the fact that staff worked with the wind machine company and borrowed a truck for the removal and transportation of two system delivery motors to the repair shop in Fresno rather than having the repair shop do the removal and transportation. The Board expressed appreciation to Supervisor Sanders for his conscientiousness regarding landowner expenses.

No action resulted from the discussion on the Monthly Report.

7. Water Management

Manager Morrissey discussed the complicated outlook of water supply.

There is presently no declaration although one is expected in the near future and it will start out very conservatively and hopefully go up from there.

No action was taken.

8. Electrical Power

Manager Morrissey discussed the topic in general with the Board. Nothing of great substance was discussed and no action was taken.

9. District Contribution to Employee Medical Coverage

The current policy of the District was established in June of 2003 and sets the employee dependent benefit cap at \$500. Manager Morrissey requested clarification on the policy and consideration of revised language as necessary to unambiguously state the policy and or modify its implementation.

The Policy established at the June 11, 2003 BOD meeting established a \$500 cap on the District's contribution to cover dependent (spouse and/or family) health care.

That cap is added to costs fully paid by the District for the single coverage health care plan (Plan).

Presently, the District's contribution to the single coverage Plan however, is not uniform as it depends on the Plan chosen by each employee. As a result, the District's total contribution to health care coverage is not uniform among District employees.

The Board agreed, that for purposes of equity, non-uniformity of realized health care benefit should be avoided.

This Policy clarification establishes that each employee ought receive an equal monetary benefit, regardless of the single coverage Plan selected.

The Board's consensus was that the Policy be clarified to state that the \$500 additional benefit (for Family/spouse coverage) shall be added on a common basis; that being an assumption that the single Plan coverage be based on the highest rate Plan elected by existing District Staff. The \$500 incremental family/spouse benefit shall be added to such rate, regardless of plan chosen.

In this way, every employee receives an equal monetary benefit.

10. FWA Issues

Various FWA issues were discussed in open session. No action was taken.

11. Mill Creek Water Right

Manager Morrissey noted that there were no new updates to discuss with the Board at this time.

12. Closed Session – Conference with legal counsel on potential litigation.

The Board went into Closed Session at 1:00 p.m. and returned to Open Session at 1:30 p.m. with no reportable action taken.

13. Amended and Restated JPA.

The Board considered adopting Resolution 2016-03 to accept the amended and restated FWA JPA. Substantive changes in the JPA from the last approval included the dissolution of the Advisory Committee of the FWA. The Board reviewed the JPA and its amendments.

Subsequently, Director Brown motioned to accept adoption of the amended and restated JPA for FWA. Director Collin, III seconded the motion and the Board voted unanimously in favor of adopting Resolution 2016-03 accepting the amended and restated FWA JPA.

14. Adjourn

The Board adjourned the meeting at 4:15 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday April 13, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday April 13, 2016. Chairman Bailey called the meeting to order at 12:24 P.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: Mark Hendrickson, District Landowner
Bill Sihota, District Landowner
John Sanders, District Operations Supervisor

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for April 2016 to order at 12:24 P.M. with all Directors present.

2. Additions to and approval of the Agenda.

No changes to the Agenda were noted for action. Director Miller motioned and Director Katayama seconded the motion to approve the Agenda as mailed. The Board voted unanimously in favor of such.

3. Public Comments.

No public comment.

4. Approval of Minutes

Director Brown motioned, and following a second by Director Miller the Board voted unanimously in favor of the motion approving the minutes prepared for the March 2016 Board Meeting.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period March 10, 2016 through April 10, 2016, totaling \$509,373.28, noting atypical expenditures.

Controller Ramirez noted a major and substantial accomplishment and milestone.....**the final payment for the 2009 Refinancing Bond** (of the original 1992 system rehabilitation debt) **was submitted this month**, \$144,166.68 for the months of April, May, June and July.

Manager Morrissey discussed in general the various legal expenses, including payments made under the JDA,

Supervisor Sanders noted, when queried by Director Brown, the purpose of the Wonderware License payment. The Board was satisfied with the explanation regarding this license fee, which is a combination of support, maintenance and license fees.

After general discussion on the bills, Director Katayama motioned to approve the bills and Director Brown seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented.

6. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage by customer and total water deliveries for the 2016/17 Contract Year, and various financial categories including power plant revenue, LAIF balance, performance and return and CD's.

Controller Ramirez noted that he again successfully passed the National Notary Public examination with flying colors, scoring a 91 out of a possible 100.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time. Supervisor Sanders discussed the first operation, by the District, of the KRSH plant. Staff had the opportunity to "break-in" the plant. After a few hours of operation it was apparent that an oil leak on one of the units was occurring and that unit automatically shut down.

Staff took the unit apart, identified the problem, is having the problem corrected and the unit should be back up and running soon. A small amount of oil (mineral oil) discharged into the Canal and District Staff immediately notified entities (FWA, BOR, FERC, County OES) in accordance with the emergency action plan for the Plant. The total quantity of oil discharged was on the order of one gallon. The lubricant discharged was an environmentally friendly mineral oil that is designed specifically to avoid harmful effects to receptors, agricultural or human or wildlife. Nevertheless, absorbent booms were put into the Canal by the Orange Cove office of the FWA so that the material would not move down the Canal to any turnouts.

Staff made modifications to the 3A delivery system, improving its efficiency and functionality, by largely eliminating the need to operate a 30 horsepower motor by connecting the 3A reservoir line to the 3A Cove line.

No action resulted from the discussion on the Monthly Report.

7. **Water Management**

Manager Morrissey discussed the complicated outlook of water supply.

There is presently a 30% declaration.

Issues discussed included; Status of Carry Over supply, Status of Uncontrolled Season and Uncontrolled Season Class 1, Residual declaration (currently 30%), prospects for increased residual declaration, potential Call on the SJR by the Exchange Contractors, transfers, Spot Market water, etc...

Director Brown inquired as to the status of the District permitting a pump-in program this year. After discussion it was the consensus that while it is too early to make this call, it shall be added to the agenda for discussion at the May meeting, when hopefully the water supply variables are less so.

No action was taken.

8. **Landowner Carryover Buyback Program**

The Board discussed the issue at length. It was determined that it was too early to make any decision on how much landowner's would be paid for their water, as the ultimate quantity sold is yet to be determined, payment from the purchasing District has not been received, District finances are uncertain and the general methodology of paid price determination is to be further discussed.

9. **Electrical Power**

Manager Morrissey discussed the topic in general with the Board. Nothing of great substance was discussed and no action was taken.

10. **FWA Issues**

Various FWA issues were discussed in open session. No action was taken.

11. **Mill Creek Water Right**

There was no discussion on this topic.

12. **Conference with Legal Counsel**

Manager Morrissey noted that the Settlement Negotiations / Agreement with the State Water Resources Control Board on 2014 and 2015 TUCP and general operations has been concluded and accomplished to the satisfaction of all Friant Contractors.

13. **JDA Membership Addition**

The Board discussed the prospect of having the Chowchilla Water District join forces with other Friant Contractors in the JDA. The Board's consensus was that there was absolutely no opposition to CWD joining and participating in the process going forward. A motion recommending such was offered by Director Katayama and second by Director Collin, III. The Board voted unanimously in favor of the motion.

14. **SB 37 (Vidak) Kings River East Groundwater Sustainability Agency Act**

The Board discussed this legislation and unanimously supported the position expressed by Manager Morrissey in his letter of support for such.

15. Adjourn

The Board adjourned the meeting at 4:55 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday May 11, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday April 20, 2016. Chairman Bailey called the meeting to order at 09:42 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary

1. Call to order.

Chairman Bailey called the Special Board of Directors meeting to order at 09:42 A.M. with a quorum of Directors present.

2. Additions to and approval of the Agenda.

No changes to the Agenda were offered. Director Miller motioned and Vice Chairman Collin, III seconded the motion to approve the Agenda as mailed. The Board voted unanimously in favor of such.

3. Public Comments.

No public comment.

4. URF Contract Consideration.

The Board reviewed and discussed executing Contract 16-WC-20-4874 with the United States for its share of Tier 1 Unreleased Restoration Flows made available this year by the SJRRP. Formal consideration via Resolution 2016-04 was discussed.

Vice Chairman Collin, III motioned the Board adopt Resolution 2016 and have Chairman Bailey execute the URF Contract. Director Miller seconded the motion and the Board, a quorum at all times present, voted unanimously in favor of adopting Resolution 2016-04 and executing the aforementioned Contract.

5. Adjourn

The Board adjourned the meeting at 10:05 A.M. with the next regular monthly Board of Directors meeting to be held on Wednesday May 11, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday May 11, 2016. Chairman Bailey called the meeting to order at 11:58 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: Mark Hendrixson, District Landowner
Ms. Campbell, Landowner
Ms. Joanne Moya, Landowner
John Sanders, District Operations Supervisor

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for May 2016 to order at 11:58 A.M., with all Directors present.

2. Additions to and approval of the Agenda.

No changes to the Agenda were noted for action. Director Brown motioned and Director Miller seconded the motion to approve the Agenda as mailed. The Board voted unanimously in favor of such.

3. Public Comments.

Ms. Joanne Moya provided the Board with a letter asking forgiveness in not submitting a timely water application. Ms. Moya asked the Board to disregard District long held, continuous and never excepted policy associated with late payments.

4. Approval of Minutes

Minutes from the Regular April and Special April Board meetings were discussed. Director Miller motioned, and following a second by Director Collin, III the Board voted unanimously in favor of the motion approving both sets of minutes prepared for the April 2016 Board Meetings.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period April 14, 2016 through May 5, 2016, totaling \$229,777.25, noting atypical expenditures.

After general discussion on the bills, Director Brown motioned to approve the bills and Director Miller seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented.

6. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage by customer and total water deliveries for the 2016/17 Contract Year, and various financial categories including power plant revenue, LAIF balance, performance and return and CD's.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time. Supervisor Sanders discussed operation and repairs performed on the KRSH plant as well as some motor and pump rehabilitation on Systems 11 and 13, a repair to a bridge pipe crossing and replacement of a 100 horsepower circuit breaker on System 3.

No action resulted from the discussion on the Monthly Report.

7. Water Management

Manager Morrissey discussed the complicated outlook of water supply.

The District used 971 acre-feet in April.

There is presently a 65% Class 1 declaration.

There is presently no expectation that there will be a release from Friant to satisfy the Exchange Contractors.

Based on the ongoing conservative nature of Millerton Operations by the BOR SCCAO, it appears there will be additional allocation but the timing and amount is uncertain, in part due to uncertain hydrology and uncertain runoff from this year's hydrology – a factor outside of our control.

No action was taken.

8. Groundwater Pump-in Program.

The pump-in program potential was discussed. There was consensus that it was too early to make a decision at this point and the Directors would reconvene for a special Board meeting in week to consider factors that develop between now and then (for example an increase in declaration), or other conditions that could drive a decision one way or another.

9. Landowner Carryover Buyback

Landowner carryover buyback program was discussed and it was decided that after the 2015 year-end audit, per acre-foot payment price to landowners would be determined. While the total requests for sale amounted to 956 acre-feet, it ended up that a total of 856 acre feet of landowner carryover was sold. The difference is due to a cumulative 100 acre-foot usage through April 30 that was above and beyond grower expectations when they relinquished the estimated quantity of water “sold” to the District.

No action was taken.

10. Electrical Power

Manager Morrissey discussed the topic in general with the Board. Nothing of great substance was discussed and no action was taken.

11. Mill Creek Water Right

There was no discussion on this topic.

12. VALIC Plan Amendment and Restatement

Manager Morrissey reviewed with the Board new IRS required provisions and language modifications to the District's 401k Plan administered by VALIC. The Board considered Resolution 2016-05 wherein the Board of Directors authorizes the Plan Administrator to accept the amendment and restatement provisions offered by VALIC for IRS compliance in their amended Plan document.

Director Miller motioned that the Board resolve to accept, through the aforementioned Resolution, the subject Plan restatement. Director Brown seconded the motion and the Board voted unanimously in favor of Resolution 2016-05.

13. Resolution for Tier 2 URF

The Board considered adopting Resolution 2016-04, committing the District to Purchase up to 3,675 acre feet of Tier 2 URF that may be made available by the SJRRP for delivery this year, in accordance with the terms specified in a pending contractual agreement. While only a draft agreement is presently available, the Board authorized executives' execution of the final formal agreement, provided the terms of said final agreement are not substantively different than the draft Tier 2 URF Contract.

Director Katayama motioned and Director Brown seconded the motion that the Board adopts Resolution 2016-04, authorizing District executives to (conditionally) execute the final Tier 2 URF Contract.

The Board voted unanimously in favor of the motion and second and thereby adopt Resolution 2016-04.

14. Consideration of Restated JDA

The Board considered a restated and amended JDA that adds Chowchilla Water District to the list of Parties and more thoroughly defines the *governance structure* of the Parties party to the Agreement.

By motion of Director Katayama and second of Director Brown, the Board voted unanimously in favor of adopting the restated JDA, authorizing Manager Morrissey to Authorize General Legal Counsel Kuney to execute the JDA on the District's behalf.

15. Conference with Legal Counsel

The Board went into Closed Session at 1:00 PM with Counsel Kuney to discuss potential litigation and legal strategies in association with the JDA.

16. Return to Open Session

The Board returned from Closed Session at 2:30 P.M. with no reportable action.

17. ACWA Conference Update

The Board briefly discussed discussions and meetings at the ACWA Conference in Monterey attended by Manager Morrissey and Directors; Bailey, Collin, III, and Katayama.

The Board took no action.

18. Adjourn

The Board adjourned the meeting at 4:01 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday June 8, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Thursday May 19, 2016. Chairman Bailey called the meeting to order at 09:42 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary

1. Call to order.

Chairman Bailey called the Special Board of Directors meeting to order at 09:05 A.M. with a quorum of Directors present.

2. Additions to and approval of the Agenda.

No changes to the Agenda were offered. Director Miller motioned and Vice Chairman Collin, III seconded the motion to approve the Agenda as mailed. The Board voted unanimously in favor of such.

3. Public Comments.

No public comment.

4. Water Supply.

The Board discussed water supply (local and statewide, including Delta operations) including Friant Division Contract allocations, and URF and other spot market water. After discussion, the Board consensus was that at the present time, water supply conditions do not compel a decision granting permission for landowner groundwater pump-in. It was agreed that in the coming weeks conditions might change prompting reconsideration of this decision and in general, it will be a month-to-month review.

5. Adjourn

The Board adjourned the meeting at 10:15 A.M. with the next regular monthly Board of Directors meeting to be held on Wednesday June 8, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday June 8, 2016. Chairman Bailey called the meeting to order at 11:48 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: John Sanders, District Operations Supervisor

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for June 2016 to order at 11:48 A.M., with all Directors present for the entirety of the meeting.

2. Additions to the Agenda.

Director Miller noted a correction to Agenda Item 4, noting that the May 2016 Meeting minutes would be considered for approval, not the April 2016 minutes. Manager Morrissey noted that correction in the posted Agenda. No other modifications, additions or deletions to the Agenda were noted.

3. Public Comments.

No public comment.

4. Approval of Minutes

Minutes from the Regular May and Special May Board meetings were discussed. Director Brown motioned, and following a second by Director Katayama the Board voted unanimously in favor of the motion approving the minutes prepared for the May 2016 Board Meetings.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period May 11, 2016 through June 3, 2016, totaling \$533,984.96, noting atypical expenditures.

After general discussion on the bills, Director Miller motioned to approve the bills and Director Katayama seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented in the Board packet.

6. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage by customer (noted to be zero) and total water deliveries for the 2016/17 Contract Year (2,991 acre feet represents approximately 90% of normal (non-drought) usage), and various financial categories including power plant revenue, LAIF balance, performance and return and CD's.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time. Supervisor Sanders discussed operation and the need for considerable difficult and time consuming repairs performed on the KRSH plant units as well as generally routine repairs and maintenance activities during the month in relation to the water delivery and metering infrastructure.

No action resulted from the discussion on the Monthly Report.

7. Water Management

Manager Morrissey discussed the complicated outlook of water supply.

- The District used 1,796 acre-feet in May.
- There continues to be a 65% Class 1 declaration.

There is presently no expectation that there will be a release from Friant to satisfy the Exchange Contractors, although the April approved (approved by NMFS) Shasta Temperature Plan that bears on the spring and summer release schedule is being re-thought due to higher than predicted water temperatures in Lake Shasta.

- This could lead to water supply challenges in the summer if inadequate Delta Pumping ensues as a result of the temperature issue.

AS NOTED IN THE PREVIOUS BOARD MEETING AND THE SAME HOLDS TODAY.....Based on the conservative nature of Millerton Operations by the SCCAO, it appears there will be additional allocation, but the timing and amount is uncertain, in part due to uncertain hydrology – a factor outside of anyone’s control. As time progresses it becomes increasingly evident that additional water supplies need to be made available by Reclamation.

Spot Market Water

The Board discussed the latest round of spot market water made available to landowners, as communicated in the May 13, 2016 letter sent to all growers. That notification solicited grower interest in obtaining water supply at the \$600 per acre-foot. That price was based on known available supply on May 13 of \$550 per acre-foot, adding \$50 per acre foot for delivery (O&M – including energy costs). A deadline of May 31 (signing the agreement and paying the cost for the number of acre feet requested) was noted in the May 13 letter. As of May 31 the total requests amounted to 125 acre-feet.

Manager Morrissey noted to the Board that during the period between May 13 and May 31, an agreement was made with Shafter Wasco ID, where SWID would return to the District previously banked water (banked in 1997) in order to fully cover the noted 125 acre feet of requests.

Manager Morrissey informed the Board that, notwithstanding the May 13 letter indicating the price would be \$600/acre foot, he made a decision on ultimate pricing of \$250 per acre foot based upon:

- actual cost of the water to the District (\$110 per acre foot (including a \$50 delivery cost)), and
- need to ensure coverage of District financial obligations this fiscal year, and
- a desire to minimize water costs to growers that have paid exorbitant prices for water the last several years, and
- recognition that the previous spot market sold was at \$200 per acre foot and included a zero margin (cost was \$150 to the Bureau of Reclamation plus a \$50 District delivery charge).

There was not consensus among the Board that it was proper to price this supply at \$250 per acre-foot because it was contrary to the May 13 letter noting that it would be priced at \$600.

No action was taken.

8. **Groundwater Pump-in Program.**

The pump-in program potential was discussed, again. General terms were discussed that would apply to a program should it be permitted this year. Notwithstanding discussion of those terms, the majority of Directors wish to defer a decision on this for another month, unless something unusual happens regarding the existing allocation (for example a decrease in declaration).

9. **Electrical Power**

Manager Morrissey discussed the topic in general with the Board. Manager Morrissey estimates that the KRSH will produce gross proceeds on the order of \$100,000 this year, thanks to the District Staff’s efforts that are recognized to go above and beyond routine and extraordinary maintenance efforts. Director Collin, III motioned to recognize the efforts and skills of the maintenance staff, whose efforts have saved the District what is conservatively estimated to be \$30,000 in outside costs and whose prompt attention and diligent efforts have generated income on the order of \$20,000 above what would have been generated if the work were done by an outside entity, by awarding 10% of the estimated \$100,000 KRSH revenue for the year, equally among the four members of the maintenance staff. Director Miller seconded the motion and the Board voted unanimously in favor of granting this monetary recognition.

10. **FWA Issues**

Manager Morrissey discussed various activities that he has involved himself in relative to the efforts of the FWA over the last month. In general, Manager Morrissey noted his appreciation for the direction that the Authority is headed, stemming from the leadership of the Board of Directors of FWA and the efforts of FWA's CEO, Jason Phillips, as well as the remaining Managers of the FWA. Manager Morrissey foresees at least a partial re-coalescence of former FWA membership that has tri-furcated into FNA, FWA and SVWA.

At this time, FNA has agreed to cost share in activities that their Board of Directors recognize as mutually beneficial to the Friant Division, including particular staffing and funding of consultants and special projects. This is seen as a first step toward re-unification of those districts with FWA but it is recognized, for governance reasons, that FNA should continue to exist independently of FWA, as there are local issues that they need to address that are separate and apart from Friant Division issues.

No action was taken.

11. **Mill Creek Water Right**

There was some discussion on this topic regarding the value of the asset being driven by recent Tehama Superior Court decisions and the need to pursue the pending Appellate Court hearing.

No action was taken.

12. **2016 Elections**

Manager Morrissey reviewed with the Board, the Fresno County election process. The Board considered Resolution 2016-07 relating to funding Candidates' statements (affirming that the Candidate will be required to pay for any optional candidate statement to be published in a local newspaper with wide circulation in the District), directing Fresno County to publish the notice of election, and confirming the District's reimbursement of the County of Fresno for direct costs associated with the District election process.

Director Collin, III motioned that the Board resolve to accept, Resolution 2016-07 as presented. Director Brown seconded the motion and the Board voted unanimously in favor of adopting Resolution 2016-07.

13. **Closed Session - Personnel**

The Board discussed in closed session, performance of District staff, excluding Manager Morrissey.

14. **Return to Open Session**

The Board came out of Closed Session noting that it had approved a new job description (Systems Technology Manager) and promotion of the current *Systems Operations Technician*, to *Systems Technology Manager*, a direct report to the Engineer-Manger. Along with the change in job description, the Board determined that the additional responsibilities warrant a 5-step promotion and a commensurate increase in hourly rate to recognize the expertise required for the position and maintained by staff.

15. **Adjourn**

The Board adjourned the meeting at 4:15 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday July 13, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday July 13, 2016. Chairman Bailey called the meeting to order at 11:42 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller

Others: Richard Moss, Consultant
Dave Dorrance, Sun World
Cliff Lollar
Mark Hendrixson

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for July 2016 to order at 11:42 A.M., with all Directors present for the entirety of the meeting.

2. Additions to the Agenda.

Morrissey noted correction to approval of Minutes....should be noted as consideration of June and not May Minutes. Morrissey noted tabling of Item 5 – Financial Audit.

Director Brown motioned, Director Katayama seconded the motion and the Board approved the agenda.

3. Public Comments.

Messieurs Moss and Dorrance discussed the opportunities for collaborative water management with Sun World. The Board expressed willingness to explore opportunities, perhaps starting with the opportunity to manage recaptured supply in SLR from the SJRRP's releases this year.

4. Approval of Minutes

Minutes from the Regular June meetings were discussed. Director Brown motioned, and following a second by Director Katayama the Board voted unanimously in favor of the motion approving the minutes prepared for the June 2016 Board Meetings.

5. Fiscal Year 2015 Financial Audit - Tabled

6. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period June 5, 2016 through July 3, 2016, totaling \$54,985.64, noting atypical expenditures.

After general discussion on the bills, Director Miller motioned to approve the bills and Director Katayama seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented in the Board packet.

7. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage by customer (noted to be zero) and total water deliveries for the 2016/17 Contract Year (6,590 acre feet represents approximately 90% of normal (non-drought) usage), and various financial categories including power plant revenue, LAIF balance, performance and return and CD's.

Morrissey discussed various activities of staff relating to O&M activities over the previous month's time. Morrissey discussed operation of the KRSH plant units as well as generally routine repairs and maintenance activities during the month in relation to the water delivery and metering infrastructure.

No action resulted from the discussion on the Monthly Report.

8. Water Management

Manager Morrissey discussed the complicated outlook of water supply and pending developments.

Morrissey noted that, it was possible to allocate water to on time applicants, at a level 10% above the Bureau declaration of 65% due to the amount of uncommitted water. This reapportioning is not typically done, however under the circumstances it was deemed by the Board to be the best course.

Morrissey also noted that there were real time discussions ongoing that could result in an increase in Bureau declaration of 10%. That in fact came to fruition during the meeting and therefore, OCID will fulfill orders up to 85% of full, 1.4 acre feet per acre requests.

Morrissey noted he would be sending out a grower letter, informing of the declaration and other pertinent information, including a water usage statement so that all growers know the status of their net water supply available, as of the end of June when meters were read. No action was taken.

9. District Investment Policy

The Board considered adopting the 2016 Investment Policy, unchanged from the previous policy adopted last year. By motion of Director Collin and a second by Director Miller, the Board voted unanimously to adopt said policy.

10. Groundwater Pump-in Program.

The pump-in program potential was discussed, again. Given that the supply is at 85% of on time orders, there is no need to implement such a program this year, so at this time, no decision was made to allow such an action by the District growers.

11. Landowner Carryover Buyback

Manager Morrissey provided the Board with the calculation of recommended payment to landowners requesting the District find an alternate disposition of carried over spot market water on their behalf. There were fulfilled requests to sell 894 acre feet. It was determined by the Board, that \$400,000 would be distributed across those 894 acre feet and each landowner would be paid in accordance with the number of acre feet that they requested to sell, less any usage they accomplished by the end of Uncontrolled Season.

12. Electric Power

Manager Morrissey discussed the topic in general with the Board. No action was taken.

13. FWA Issues

Manager Morrissey discussed various activities being undertaken by the Authority on the General Member side. Manager Morrissey presented a historical look at the local and non-local conveyance costs paid on the basis of water delivered in OCID. The total cost for conveyance from 2003 to 2015, on the basis of delivery of 30,000 acre feet (although these costs are paid even if no water is delivered) has gone from \$11 per acre foot to nearly \$30 per acre foot. With Delta supplies crashing, the non-local costs are going to continue to rise.

Since this is a fixed cost, payable by the District regardless of water supply, the discussion that this cost should be on the land was had and Directors were in agreement on this point.

No action was taken.

14. Adjourn

The Board adjourned the meeting at 3:20 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday August 10, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday August 10, 2016. Chairman Bailey called the meeting to order at 11:55 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller
John Sanders, Operations Supervisor

Others: Jason Phillips, CEO, FWA
Loren Booth, Booth Ranches
Paul Adams, Booth Ranches
Joe Mastro, Cuttone and Mastro

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for August 2016 to order at 11:55 A.M., with all Directors present for the entirety of the meeting.

2. Additions to the Agenda.

Morrissey noted addition of an item for Recess at Noon for the Annual Board of Equalization Meeting, and addition of item 14, consideration of modifications to the 2016 Capital Budget. Director Katayama motioned to accept the modified agenda. Director Collin, III seconded the motion and the Board voted unanimously in favor of such.

3. Public Comments.

No Public Comment.

4. Board of Equalization Recess

At the noon hour the Board held a hearing to consider public input on the District's current assessment roll. Manager Morrissey noted boundary changes from last year's roll, now that the reorganization process started in 2009 is formally complete. No landowners were in attendance at the hearing. Director Katayama motioned, and Director Brown seconded the motion to accept the assessment roll as prepared by the District staff and reviewed by Assessor Morrissey.

5. Return to Regular Board Meeting

At 12:05 the Board returned to the regular monthly Board meeting.

6. Approval of July 2016 Regular Board Meeting Minutes

Director Brown motioned and Director Katayama seconded the motion to accept the minutes as written.

7. Fiscal Year 2015 Financial Audit

Joe Mastro discussed the 2015 Financial audit with the District. In summary, the audit by Cuttone & Mastro, uncovered no errors, misrepresentations, or other items of concern. It was expressed by Mr. Mastro that in his professional written opinion the 2014/15 financial statements present fairly, in all material respects, the financial position of the Orange Cove Irrigation District, as of December 31, 2015.

Summarizing the financials, the change in net position of the District for 2015 was a positive \$1.6793 million. That notably included the addition of the KRSH Hydropower plant, unencumbered, valued at \$0.5 million. The District had a positive change in unrestricted net assets of \$166,800 compared to 2014.

8. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period July 11, 2016 through August 10, 2016, totaling \$1,852,388.89, noting atypical expenditures. A payment was made to the Bureau of Reclamation in the amount of approximately

\$465,000 for March – June water payments. Other noted checks were return of payments for \$200 water (due to proration), and landowner buyback payments totaling \$400,000.

After general discussion on the bills, Director Miller motioned to approve the bills and Director Katayama seconded the motion. The Board voted unanimously in favor of the motion to approve payment of the bills as presented in the Board packet.

9. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges, excess water usage by customer and total water deliveries for the 2016/17 Contract Year of 10,898 acre feet, and various financial categories including power plant revenue, LAIF balance, performance and return and CD's.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time, noting in particular an active pipeline, meter and air vent repair month.

No action resulted from the discussion on the Monthly Report.

10. Water Management

Manager Morrissey discussed the outlook of water supply and Delta operational conditions. Manager Morrissey discussed with the Board the potential for a request from Reclamation for additional water to be sent to Mendota Pool via the SJR as a buffer against lower than expected pumping, to stave off need for consideration of a Call on Friant by the EC's. The Board's consensus was that this action, if needed, is a worthwhile action if there is a need to help with the storage conditions in SLR and the Bureau will make available a like amount released from Friant Dam, in SLR, they are agreeable to providing up to 3,000 acre feet in this manner.

The Board also discussed the fact that the District has on the order of 26 thousand acre feet **remaining**, with an average August-February Usage of 12-14 thousand acre feet. This usage rate portends excess carryover may be a condition that Manager Morrissey will have to deal with. Usage in August, September and October may be abnormally high, and in that case, the excessive carryover concern may not be an issue. Manager Morrissey noted that he would work on a management strategy, to maximize the preservation of this exceedingly valuable asset.

It was noted that there is now water Available, at \$95 per acre foot, to late payers of this year supply, or to those needing more than 1.4 acre feet per acre. District staff will inform those in that category accordingly.

11. Electrical Power

Manager Morrissey discussed the curtailment of FPA project power at Friant Dam into the PG&E grid. The situation remains unclear as to cause; however, it is becoming apparent that the glut of solar power input into the grid, is overwhelming the transmission capacity and demand of the power user. It is also considered that this may be an ongoing issue of significant concern. Manager Morrissey noted, in light of the financial magnitude of this situation, the FPA would be wise to invest in a dedicated, professional manager, as opposed to a GM with a district to manage, filling that role.

12. FWA Issues

FWA CEO Phillips briefed the Board on the priority issues in which he is engaged as well as his general philosophy of path and process necessary to achieve the primary goals of the Authority. The Board was very appreciative of the time spent by CEO Phillips interacting first hand with them and providing them with his insights.

13. Engineers Report Proposal

Manager Morrissey discussed the option of proceeding with a consultant's preparation of an Engineers Report, in order to evaluate if there exists justification and substantiation for a potential action by the Board to institute a take or pay method of charge for water supply in the future. Manager Morrissey discussed the option of Provost & Pritchard conducting this independent, objective factual analysis to ascertain whether or not this method of charging for water has merit, is reasonable and is justified. ***The Board authorized up to a \$20,000 expenditure on this effort and that it be completed timely, for consideration by the Board in January of 2017 when the Rules and Regulations and water rates are set.***

14. Closed Session

the Board went into Closed session to discuss potential litigation with General Counsel, at 12:05 P.M.

15. Return to Open Session

The Board returned to open session at 1:00 P.M. with no reportable action.

16. Capital Budget

Manager Morrissey discussed the current capital budget, which has been scaled back since 2014 due to drought. As a result of weathering the drought, so to speak, and coming through in a salient financial position, it was recommended to the Board that some of the deferred expenditures be permitted at this time; namely:

- Finish the installation of traveling trash screens (5 @ \$40k each)
- Purchase of 4 Vehicles for operations staff (\$95k total)

The Board discussed and considered the expense of these items. After discussion, Director Katayama motioned and Director Miller seconded the motion to authorize modification of the heretofore-approved 2016 capital budget.

17. Adjourn

The Board adjourned the meeting at 4:38 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday September 14, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday September 14, 2016. Chairman Bailey called the meeting to order at 11:48 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller
John Sanders, Operations Supervisor

Others: Leslie Miller - Public
Mark Hendrixson - Landowner

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for September 2016 to order at 11:48 A.M., with a quorum of Directors present for the entirety of the meeting.

2. Additions to the Agenda.

Morrissey noted shortly after mailing the Board packets, the agenda was modified to include for addition of a closed session item. The final agenda is as was posted on Friday, September 9, 2016. Director Katayama motioned to accept the agenda and Director Collin, III seconded the motion. *The Board voted unanimously in favor of approving the Agenda.*

3. Public Comments.

No Public Comment.

4. Approval of August 2016 Regular Board Meeting Minutes

Director Miller motioned and Director Katayama seconded the motion to accept the draft August 2016 minutes as written.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period August 11, 2016 through September 7, 2016, totaling general fund expenditures of \$713,118.66 and capital expenditures of \$202,066.24. The bulk of the capital expenditures were for construction of the QLPP (\$155,602.86) and for a 25% payment for four traveling water screens being manufactured by International Water Screens, for four of the District's turnouts. With the installation of these four traveling screens, all District turnouts will be similarly fitted with traveling trash screens, with the exception of turnout 1N, which will require a substantially different design due to the turnout's construction.

Since most of the deliveries on Turnout 1N are for Tri-Valley Water District, the District is coordinating consideration of installation of a screen with Keller – Wegley, TVWD's consulting engineer.

Controller Ramirez noted atypical expenditures, including but not limited to, a payment to the Bureau of Reclamation in the amount of \$127,183.07 for July water deliveries and a payment of \$70,412.11 to PG&E for power charges. Director Collin, III motioned and Director Miller seconded the motion for paying the bills as presented.

The Board voted unanimously in favor of approving the payments presented.

6. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges categorized into "troubled assets" (foreclosures, hardship and no response) and late payments, totaling \$38,475.16 and \$7,867,81, respectively. More than half of the total delinquency is attributable to a property seized by the IRS and in the process of public auction for recovery of back taxes. Upon culmination of that process, the District will receive its \$25,000 plus, delinquent payment. Other items discussed were excess water usage by customer (nothing of concern in this topic), total water deliveries for the 2016/17 Contract Year of 16,097 acre feet, and various financial categories including KRSH and FWR power plant revenues, LAIF balance, performance and return and CD's.

Controller Ramirez briefly discussed the Continuing Disclosure Report submitted annually to the Trustee, USBank, on the Series 2012 and 2009 bonds. The CDR provides, cropping, operational and financial information summaries for bondholders' information and is a part of the Trustee's due diligence process.

Supervisor Sanders discussed various activities of staff relating to O&M activities over the previous month's time.

No action resulted from the discussion on the Monthly Report.

7. Certificates of Sale

The Board considered Resolution 2016-08 Authorizing Certificates of Lien / Sale to secure unpaid accounts on 11 properties in Fresno County and 15 properties in Tulare County. Director Miller motioned to adopt Resolution 2016-08 and Director Katayama Seconded the Motion. *The Board voted unanimously in favor of adopting Resolution 2016-08 during a roll-call vote.*

8. Water Management

Manager Morrissey discussed the residual water supply (as of September 1) and noted that the District would likely have 12-14 thousand acre-feet of carryover going into next Contract Year. Director Katayama inquired as to the dewatering schedule. At this time the dewatering schedule shows the District being out of water in the first part of the second week of November. The duration of the outage will depend on the condition of the Canal Turnouts, which will be inspected once the Canal is dewatered.

No action was taken by the Board.

9. Electrical Power

Manager Morrissey discussed general status of power plant construction and operation. No action was taken by the Board.

10. FWA Issues

Manager Morrissey noted that FWA CEO Phillips and several directors were back in Washington DC, meeting with members of Congress, their staff and Agency Administrators.

11. Closed Session

Closed Session Item – Conference With Legal Counsel (Government Code Section 54956.9 (a)) - Existing Litigation and Potential Litigation:

- (1) State Water Resources Control Board – California Water Fix Hearings – Protest Of Joint Petition For Change to Points of Diversion
- (2) Potential Litigation – One Item

12. Return to Open Session

The Board returned to open session at 1:00 P.M. The Board of Directors authorized the filing of litigation on behalf of the District, its landowners and water users, subject to final approval of legal counsel and District management. The particulars of the action, defendant, and other information shall, once formally commenced, be disclosed to those making inquiry to the District.

13. Adjourn

The Board adjourned the meeting at 2:08 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday October 12, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday October 12, 2016. Chairman Bailey called the meeting to order at 11:50 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice Chairman (by phone)
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Scott Kuney, Young Wooldridge, Legal Counsel

Others: Mark Hendrixson - Landowner

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for October 2016 to order at 11:50 A.M., with a quorum of Directors present for the entirety of the meeting.

2. Additions to the Agenda.

Director Katayama motioned to accept the agenda and Director Miller seconded the motion. *The Board voted unanimously in favor of approving the Agenda.*

3. Public Comments.

No Public Comment.

4. Approval of September 2016 Regular Board Meeting Minutes

Director Miller motioned and Director Katayama seconded the motion to accept the draft September 2016 minutes as written.

5. Approval of Bills.

Manager Morrissey reviewed the warrants for approval for the period September 15, 2016 through October 5, 2016, totaling general fund expenditures of \$494,161.18 and capital expenditures of \$140,634.34. The bulk of the capital expenditures were for construction of the QLPP (\$130,461.61)

Manager Morrissey noted atypical expenditures, including but not limited to, a payment to the Bureau of Reclamation in the amount of \$114,912.64 for August water deliveries, \$28,879.63 to Shafter Wasco for costs associated with return of 490 acre feet of banked water and a payment of \$78,137.70 to PG&E for power charges. Director Miller inquired as to the purpose of the Bureau's \$0.30 charge per acre-foot for "Trinity Public Utilities District". Manager Morrissey promised to provide the language describing the source and explanation of that charge to Director Miller and the Board.

Director Brown motioned and Director Miller seconded the motion for paying the bills as presented.

The Board voted unanimously in favor of approving the payments presented.

6. Monthly Report

Manager Morrissey covered Items A through J of the monthly report, including delinquent stand-by charges categorized into "troubled assets" (foreclosures, hardship and no response) and late payments, totaling \$35,931.86 and \$6,326.28, respectively. More than half of the total delinquency is attributable to a property seized by the IRS and in the process of public auction for recovery of back taxes. Upon culmination of that process, the District will receive its \$25,000 + delinquent payment. Other items discussed were excess water usage by customer (nothing of concern in this topic), total water deliveries for the 2016/17 Contract Year of 20,771 acre feet, and various financial categories including KRSH and FWR power plant revenues, LAIF balance, performance and return and CD's.

Manager Morrissey discussed various activities of staff relating to O&M activities over the previous month's time.

No action resulted from the discussion on the Monthly Report.

7. Water Management

Manager Morrissey discussed the local regional water supply and delta operations, including a very preliminary outlook for the 2017 water year. It appears the District will retain approximately 12 thousand acre feet going into the 2017/18 Contract Year.

Also discussed was the “apparent” historical use of groundwater in the District by landowners (apparent is used because this is only a calculated quantity), annual irrigation requirement, measured groundwater changes and the annual recharge (from all sources) of the aquifer underlying the District. It was noted that the amount of groundwater used, will need to be refined going forward under SGMA as a groundwater budget may be a future reality. One important aspect that is needed to calculate that quantity of groundwater used, is the crop information recently requested. Alternatively, growers may have to meter their wells to comply with the requirements of SGMA.

The Board noted that continued education was needed to ensure that the landowners appreciate what is happening regarding the use of groundwater (and therefore the importance of using surface water) in the District.

No action was taken by the Board.

8. Liability Insurance

Manager Morrissey provided the Board with a summary of liability insurance quotes obtained from three vendors. Included in the packet was a comparative analysis of quotes from *Water Plus*, *Cal Mutual*, and *Glatfelter Standard*. *Water Plus* currently covers the District and the recommendation of Staff was to maintain that carrier as they offered the most competitive alternative among the three. The annual cost for 2017 is \$14,976, compared to the current year premium of \$15,014.

By motion of Director Miller, and second of Director Katayama, the Board voted unanimously in favor of the Staff's recommendation to secure liability insurance for 2017 under the terms of the Water Plus quotation.

9. URF Exchange MOU

Manager Morrissey provided Resolution 2016-09 for Board consideration. This Resolution was to approve an MOU with Reclamation to enter into an URF Exchange Agreement (16-WC-20-4946) whereby Reclamation makes available to the District in the 2016 Water Year, 3,000 acre feet of SJRRP URF water at no cost, under the requirement that the District will return a TBD quantity of water in a future year as detailed in and in accordance with the referenced MOU.

The return obligation is a function of timing of return request and the water declaration at the time the request for return is made by the SJRRP.

Director Katayama motioned and Director Brown seconded the motion to adopt 2016-09 and execute the MOU. ***The Board voted unanimously in favor of the motion and second and Resolution 2016-09 was formally adopted.***

10. 2017 Fiscal Year Administrative Budget

Manager Morrissey and the Board discussed options for the FY 2017 Administrative Budget with input from General Legal Counsel Kuney. Debt service covenants require that Standby Assessments plus miscellaneous income (not considering any income that may be generated from an uncertain water supply) cover all General and Administrative and gross debt service costs (principal and interest). Net revenues collected must be at least equal to 110% of debt service payments. After discussion, the ***Directors unanimously approved the administrative budget reflecting standby assessment revenues of \$2,401,206 detailed by Manager Morrissey.***

11. Kings River East GSA Board Nominations

The Board discussed the governance of the to be formed JPA. Manager Morrissey noted that there would be a seven member Board, composed of participating agencies plus one Ag representative and that one of those seats would be selected among; OCID, TVWD and HVID.

No action was taken by the Board.

12. Recording of Liens

The Board discussed the matter of recording liens on properties detached from the District through formal final action of Reclamation, who have received invoices for their share of costs yet failed to pay within the timeframe provided (60 days) of District correspondence and invoicing. Properties considered for approving liens be placed include Fresno County

APN's; 378-022-02, 378-022-03, 378-022-04,378-022-5 378-022-06, 378-022-07. *It was the consensus of the Board that Manager Morrissey take action to record liens on noted parcels.*

13. Electrical Power

Production on District facilities and progress on the QLPP construction were discussed. No action was taken by the Board.

14. FWA Issues

Manager Morrissey discussed various activities being undertaken by the FWA. No action was taken by the Board.

15. Closed Session Item – Conference With Legal Counsel (Government Code Section 54956.9 (a)) and (b) Existing Litigation and Potential Litigation and (c) Personnel.

The Board went into Closed Session at 4:03 to discuss the above noted items.

16. Return to Open Session

The Board returned to open session at 4:40 P.M. *The Board of Directors authorized a regular salary increase of 5% be given to Manager Morrissey effective November 1, in addition to a \$5,000 one time payment.*

17. Adjourn

The Board adjourned the meeting at 4:58 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday November 9, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday November 15, 2016. Chairman Bailey called the meeting to order at 12:09 P.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller/Treasurer

Others: Mark Hendrixson - Landowner

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for November 2016 to order at 12:09 P.M., with a quorum of Directors present for the entirety of the meeting.

2. Approval of the Agenda.

Director Katayama motioned to accept the agenda and Director Miller seconded the motion. *The Board voted unanimously in favor of approving the Agenda.*

3. Public Comments.

No Public Comment.

4. Approval of October 2016 Regular Board Meeting Minutes

Director Miller motioned and Director Katayama seconded the motion to accept the draft October 2016 minutes as written.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period October 13, 2016 through November 9, 2016, totaling general fund expenditures of \$476,726.11 and capital expenditures of \$85,151.37. The bulk of the capital expenditures were for construction of the QLPP (\$83,377.06)

Controller Ramirez noted atypical expenditures, including but not limited to, a payment to the Bureau of Reclamation in the amount of \$115,933.59 for September Contract water deliveries, \$48,475.00 to International Water Screens for progress payments on traveling screen construction, and a payment of \$67,439.70 to PG&E for power charges.

Director Miller motioned and Director Katayama seconded the motion for paying the bills as presented.

The Board voted unanimously in favor of approving the payments presented.

6. Monthly Report

Controller Ramirez covered Items A through I of the monthly report, including delinquent stand-by charges categorized into "troubled assets" (foreclosures, hardship and no response) and late payments. More than half of the total delinquency is attributable to a property seized by the IRS and in the process of public auction for recovery of back taxes. Upon culmination of that process, the District will receive its \$25,000 + delinquent payment. Other items discussed were excess water usage by customer (nothing of concern in this topic), total water deliveries for the 2016/17 Contract Year of 23,919 acre feet, and various financial categories including KRSH and FWR power plant revenues, LAIF balance, performance and return and CD's.

No action resulted from the discussion on the Monthly Report.

7. Water Management

Manager Morrissey discussed the local regional water supply and delta operations, including a very preliminary outlook for the 2017 water year. It appears the District will retain approximately 11.5 thousand acre feet going into the 2017/18 Contract Year.

The Board briefly discussed the action of the State Water Board regarding recent clean up and abatement order sent to 27 growers in the Tulare County Region.

No action was taken by the Board.

8. Rules and Regulations and

9. Water Rates

The Board discussed the 2017 draft Rules and Regulations and potential water rates.

No action was taken at this time.

10. Electrical Power

Production on District facilities and progress on the QLPP construction were discussed. No action was taken by the Board.

11. FWA Issues

Manager Morrissey discussed various activities being undertaken by the FWA.

No action was taken by the Board.

12. Adjourn

The Board adjourned the meeting at 3:18 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday December 14, 2016 at 11:30 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday December 14, 2016. Chairman Bailey called the meeting to order at 12:05 P.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, Chairman
H.A. "Gus" Collin, III, Vice-Chairman
David Brown, Director
Russell Katayama, Director
Arlen Miller, Director

Officers: Fergus A. Morrissey, Engineer-Manager/Secretary
Robert T. Ramirez, Controller/Treasurer

Others: Bryan Orlopp - Landowner

1. Call to order.

Chairman Bailey called the regular Board of Directors meeting for December 2016 to order at 12:05 P.M., with a quorum of Directors present for the entirety of the meeting.

2. Approval of the Agenda.

Director Katayama motioned to accept the agenda and Director Miller seconded the motion. *The Board voted unanimously in favor of approving the Agenda.*

3. Public Comments.

No Public Comment.

4. Approval of November 2016 Regular Board Meeting Minutes

Director Miller motioned and Director Katayama seconded the motion to accept the draft November 2016 minutes as written.

5. Approval of Bills.

Controller Ramirez reviewed the warrants for approval for the period November 10, 2016 through December 10, 2016, totaling general fund expenditures of \$283,215.98, and capital expenditures of \$140,274.22.

Director Miller motioned and Director Katayama seconded the motion for paying the bills as presented.

The Board voted unanimously in favor of approving the payments presented.

6. Monthly Report

Controller Ramirez covered Items A through K of the monthly report, including delinquent stand-by charges categorized into "troubled assets" (foreclosures, hardship and no response) and late payments. Other items discussed were excess water usage by customer (nothing of concern in this topic), total water deliveries for the 2016/17 Contract Year of 24,028 acre feet, and various financial categories including KRSH and FWR power plant revenues, LAIF balance, performance and return and CD's.

Manager Morrissey discussed the November/December Monthly Operations and Maintenance Report with the Board.

No action resulted from the discussion on the Monthly Report.

7. Water Management

Manager Morrissey discussed the local regional water supply and delta operations, including outlook for the 2017 water year. Conditions in the Delta are generally favorable and the repayment of borrowed water to SOD CVP contractors is such that the Exchange Contractors supply is starting off much better next year vs. last. Based on general weather forecasts and the carryover quantity available to OCID, there appears little chance of not attaining 100% Class 1 supplies next year.

No action was taken by the Board.

8. Rules and Regulations and

9. Water Rates

The Board discussed the 2017 draft Rules and Regulations and potential water rates.

The consensus of the Board was that the most current draft Rules and Regulations, disseminated in the Board package, was acceptable as a Final. Vice-Chair Collin, III suggested having a public meeting to afford landowners the opportunity to meet with staff and Directors to discuss the foundational changes and clarify / answer or at least respond to questions that landowners may have.

The draft Rules and Regulations included description of water and energy rates, which were also unanimously approved by the Board. For the 2017/18 Contract Year, water Secured (as defined in the Rules and Regulations) by landowners at a quantity of up to 1 acre foot per acre (on an entity gross acreage basis) will have a rate of \$65 per af. Any water secured above the 1 af/a threshold will have a rate of \$25 / af. A separate energy cost will be billed up front on an estimated basis of \$22/af for water delivered **on pumped systems only**. The actual cost will be based on energy cost / af by delivery System. That rate will be determined in March 2018 when total deliveries and PG&E billing is complete. Growers will receive either a credit or a bill, depending on the accuracy of the \$22/af estimate after the calculation is complete.

Other aspects of the water rates approved by the Board include:

- the fact that water Secured, will be creditable up to 10% of the total order at a crediting rate of \$25 per af, and
- A transfer fee will apply, based on transferor/transferee relationship, water ordered and the difference in Tier 1 and Tier 2 (\$40 per af), as described in the Final Rules and Regulations, and
- Spot Market water will be the first water used and may not be carried over into the following Contract Year.
-

10. Electrical Power

Production on District facilities and progress on the QLPP construction were discussed. No action was taken by the Board.

11. FWA Issues

Manager Morrissey discussed various activities being undertaken by the FWA. No action was taken by the Board.

12. Closed Session

The Board discussed with General Counsel Kuney pending litigation matters at 1:15.

13. Return to Open Session

The Board returned to Open Session at 1:45 with no reportable action.

14. Adjourn

The Board adjourned the meeting at 3:48 P.M. with the next regular monthly Board of Directors meeting to be held on Wednesday January 11, 2017 at 11:45 A.M. at 1130 Park Boulevard, Orange Cove, California.

Harvey A. Bailey, Board Chairman

Fergus A. Morrissey, Board Secretary