



**Minutes of Regular Meeting, Board of Directors
April 13, 2021**

The Board of Directors of the Porterville Irrigation District met this day in regular session in Porterville, California. Consistent with Executive Order N-29-20 and social distancing directives, the meeting was conducted by teleconference only, with no physical location for the meeting.

CALL TO ORDER

President Borba called the meeting to order at 9:00 a.m.

ATTENDANCE

DIRECTORS PRESENT: Borba, Gisler, Chambers, McCowan, Witzel

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean P. Geivet, District Manager
Jody A. Griswold-Bratcher, District Secretary
Numerous guests via Zoom and One tap mobile

AGENDA – No changes or additions were made to the agenda.

PUBLIC COMMENTS – President Borba asked if there was any public comment.

PUBLIC HEARING – **Members of the public may directly address the members of the Board of Directors on the proposed 2021 Budget and Water Rates**

At 9:01 a.m. President Borba adjourned the regular meeting, and called the Public Hearing to order. The purpose of the Public Hearing was to take comments on the proposed 2021 water rates. The Manager reviewed each component of the water rate as outlined on the breakdown of costs. He noted the initial water rates were based upon last year's more optimistic Class 1 allocation of 65%, while it appears that we will likely remain at 20% allocation if conditions stay so dry. Under these drought conditions, we will likely not start water until June, which allows time to gather more information regarding Tule River water supplies and Sharewater entitlements. Due to this lower allocation and to avoid a deficit, the District will need to collect more per acre-ft than originally predicted. After some discussion, the Directors asked Manager Geivet to recalculate the rate based upon the current allocation for review at the next meeting when they will define this year's season as well as potential delivery options for Shareholders.

President Borba adjourned the Public Hearing and reconvened the regular meeting at 9:17 a.m.

APPROVAL OF THE MINUTES

M/S/U Gisler, McCowan to approve the Minutes of the Board of Directors Regular Meeting held March 9, 2021 as presented.

M/S/U McCowan, Chambers to approve the Minutes of the Board of Directors Special Meeting held March 24, 2021 as presented.

AUTHORIZATION TO PAY BILLS

M/S/U Chambers, Witzel to authorize the Treasurer to pay all outstanding bills against the District as presented.

MONTHLY REPORTS – Financial Reports: The Treasurer included in the Board meeting packet the February 2021 Balance Sheet, showing status of the banking accounts, and Income Statements for the same period. It was noted that these reports are considered preliminary pending any additional year-end entries made as a result of the upcoming 2020 audit.

M/S/U Chambers, Gisler to accept the preliminary financial reports as presented and to place the reports on file.

Administration Report: Included in the meeting packet for the Directors information was a recent refund notice and Rate Stabilization Fund report from ACWA Join Power Insurance Authority, the District's insurance carrier.

Operations/Water Report: As mentioned earlier in the meeting, the Friant Class 1 allocation remains at 20% and that water rates, season and supply will be discussed in greater detail at next month's meeting with plans for the annual ditch company meetings to follow the District meeting.

Status Report of Authorities: DCTRA, TRA, VAWC & FWA: Mr. Geivet noted that we have an item later in the meeting devoted to FWA and the canal fix progress, otherwise nothing new to report.

Eastern Tule Groundwater Sustainability Agency (ETGSA): Manager Geivet brought the Board and guests up to date on consumption fee billings scheduled soon.

Success Reservoir Enlargement Project (SREP) Update: The Manager noted the project continues to forward, but there is nothing new to report at this time.

Future Planning: Nothing new to report.

FRIANT WATER AUTHORITY – Consider approval of Memorandum of Understanding between FWA and the District regarding District Contributions for FKC Middle Reach Capacity Correction Project

The Manager reviewed some draft documents that will be presented to the FWA Board at next week's meeting. Also reviewed was a draft Memorandum of Understanding (MOU) between FWA and the District and associated draft Resolution for the Board's consideration and discussion.

Upon motion by Director McCowan, seconded by Director Gisler, the following Resolution was passed and adopted:

RESOLUTION NO. 2021-04-01

***RESOLUTION TO APPROVE FRIANT WATER AUTHORITY
MEMORANDUM OF UNDERSTANDING REGARDING
FRIANT-KERN CANAL (FKC) MIDDLE REACH CAPACITY
CORRECTION PROJECT DISTRICT CONTRIBUTIONS***

WHEREAS, the Board of Directors of the Porterville Irrigation District have met this day in regular session; and

WHEREAS, the District has contracted with the United States Department of the Interior Bureau of Reclamation for Project Water Service from the Friant Division and Facilities Repayment (Contract No. 175R-4309D) ("Repayment Contract"); and

WHEREAS, Friant Water Authority (FWA) is the operating non-federal entity of the Friant-Kern Canal ("FKC") and associated works pursuant to that certain transferred works agreement (Contract No. 9-07-20-XO356-X, as amended) by and between FWA and the United States of America, acting through the Bureau of Reclamation ("Transfer Agreement"); and

WHEREAS, FWA has expressed the willingness to undertake a project to restore capacity to the "middle reach" of the FKC, commonly referred to as the FKC Middle Reach Capacity Correction Project ("Project"); and

WHEREAS, in recognition of the likely need for Friant Contractors to cost-share in the Project, in May 2019, the FWA Board of Directors adopted Resolution No. 2019-02, whereby the Board determined that the amount of \$50 million represented a fair and reasonable preliminary amount for FWA and affected Friant Contractors to use for the purposes of establishing a cost-share obligation for the estimated Project costs; and

WHEREAS, as a result of FWA Resolution No. 2019-02, the District is willing to contribute its portion of \$50 million pursuant to the OM&R formula as provided for in the Transfer Agreement (the "District Contribution"); and

WHEREAS, pursuant to that certain Installment Purchase Agreement, dated as of October 1, 2020 (the "Installment Purchase Agreement"), by and between the District and the Porterville Irrigation District Financing Corporation, relating to certain installment payments to be made by the District, the District Contribution would constitute

Friant-Kern Canal Capital Costs (as such term is defined in the Installment Purchase Agreement) and as such, under the Installment Purchase Agreement, the District's commitment to make the District Contribution to FWA as an Operation and Maintenance Cost (as such term is defined in the Installment Purchase Agreement) of the District is required to be approved by a resolution of the Board of Directors of the District; and

WHEREAS, the District hereby commits to making the District Contribution in the cumulative amount of \$982,000.00 in payments in accordance with the schedule attached hereto as in Schedule I. Schedule I is permitted to be revised and replaced upon the consent of the District; and

WHEREAS, the District's commitment to make the District Contribution fully satisfies any obligation that the District may have or will have to contribute funds to the costs of the FKC Middle Reach Capacity Correction Project. District acknowledges that in the event that the costs of the FKC Middle Reach Capacity Correction Project exceed the total costs of the FKC Middle Reach Capacity Correction Project that FWA has determined as of the date of this Resolution and upon which the District Contribution is based, the District shall not be obligated to contribute any amounts in excess of the District Contribution without the consent of the District.

NOW, THEREFORE, IT IS HEREBY RESOLVED that after review and approval of final form of the Memorandum of Understanding by the General Manager and General Counsel of the District, the General Manager is authorized to execute on behalf of and as the act of the District, the Memorandum of Understanding, a copy of which the Secretary is directed to attach to the minutes of the meeting of the Board of Directors held on April 13, 2021.

BE IT FURTHER RESOLVED, that the District does not waive or release any rights or obligations under its Repayment Contract as a result of the Memorandum of Understanding and/or contribution of funds to the Project, and expressly preserves its right to make any and all claims it may have now or in the future pursuant to the Repayment Contract, including but not limited to, the obligation to make payments with respect to the Project under the Repayment Contract.

PASSED AND ADOPTED this 13th day of April 2021 by the following vote:

AYES:	<i>Borba, Chambers, Gisler, McCowan, Witzel</i>
NOES:	<i>None</i>
ABSTAIN:	<i>None</i>
ABSENT:	<i>None</i>

CERTIFICATE OF SECRETARY

I do hereby certify that I am the Secretary of the Porterville Irrigation District, an irrigation district organized and existing under the laws of the State of California, and that the foregoing Resolution was duly adopted by the Board of Directors of said District at a Zoom meeting thereof duly and
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regularly held by the Porterville Irrigation District at Porterville, California on the 13th day of April 2021, at which meeting a quorum of said Board of Directors was at all times present and acting, and that said Resolution has not been rescinded or amended in whole or any part thereof, and remains in force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the Porterville Irrigation District this 13th day of April 2021.

/s/ Jody A. Griswold-Bratcher
Jody A. Griswold-Bratcher, Secretary
Porterville Irrigation District

SCHEDULE 1

Payment Schedule: Porterville Irrigation District

<u>Payment Date</u>	<u>Amount</u>
October 1, 2021	\$137,000
January 3, 2022	\$148,000
April 1, 2022	\$141,000
July 1, 2022	\$143,000
October 3, 2022	\$232,000
January 3, 2023	\$181,000
TOTAL	\$982,000

AC FOODS – Review and consider executing a Water Stock Lease Agreement with AC Foods

The Board reviewed final language in the draft agreement between the District and ACMPC California 5, LLC dba Griffith Farms concerning the lease of some of the District's Pioneer Water Company shares.

M/S/U Chambers, McCowan to authorize execution of a Water Stock Lease Agreement with AC Foods.

SURPLUS EQUIPMENT – Consider designating old equipment as surplus for disposal

The Secretary included in the meeting packet a draft notice inviting bids for three (3) items that are either outdated, no longer working or otherwise surplus. She noted that the year for the Ford Ranger listed as Item #3 should actually read 1990. Also included in the packet is a listing of all District vehicles and their respective odometer readings for review by the Board. Before posting the notice that includes the older backhoe/loader, the Board asked District staff to research air board buy back plans that may be available for older diesel motors. Any unclaimed items will be disposed of accordingly.

M/S/U McCowan, Gisler to declare old equipment as surplus for disposal as presented.

TRUCK PURCHASE – Consider the purchase of one new work truck

The Manager updated the Board on the status of the District's three aging Ford Rangers noting recent mechanical and reliability issues. The Board directed the Manager and District staff to obtain quotes for two new district vehicles before purchase.

CALIFORNIA FARM WATER COALITION (CFCW) – Consider renewing membership in CFCW for \$2,550.00

Mr. Geivet recommended that the Board consider continuing membership in this organization that has been very involved to educate consumers about the connection between water for our farms and the food they provide for their families. He noted that they are very active on social media and trying to take the message of the Valley to the Bay area with clips played at movie theaters between feature presentations as well as bus placards and editorials.

M/S/U, Gisler, Chambers to authorize contribution payment of \$2,550.00 to continue membership in the California Farm Water Coalition.

The Manager noted that we do not need to adjourn into closed session.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(d)(1)] *City of Fresno, et al. v. United States of America*, Court of Federal Claims, Case No. 16-1276L

No reportable action taken.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – [Government Code Section 54956.9] (1 Case)

No reportable action taken.

ITEMS TO BE DISCUSSED PURSUANT TO GOVERNMENT CODE SECTION 54954.2 (RELATING TO ITEMS NOT APPEARING ON THE AGENDA)

No reportable action taken.

ADJOURNMENT – President Borba adjourned the meeting at 10:36 a.m.



Jody A. Griswold-Bratcher, Secretary