Minutes of Regular Meeting, Board of Directors
March 13, 2018

The Board of Directors of the Porterville Irrigation District met this day in regular session at the District office located at 22086 Avenue 160, Porterville, California.

CALL TO ORDER

President Borba called the meeting to order at 9:04 a.m.

ATTENDANCE

DIRECTORS PRESENT:	Borba, Chambers, Gisler, McCowan, Witzel
DIRECTORS ABSENT:	None
OTHERS PRESENT:	Sean P. Geivet, District Manager Jody A. Griswold-Bratcher, District Secretary Terry Schuler Marvin Hughes Michael Knight, City of Porterville Michael DePaoli Allan Lombardi Bill Samarin Dave Dorrance, Sun World International Bill Wallace Kathy Briano

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

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

Bill Samarin introduced himself as a landowner in Terra Bella Irrigation District (TBID) as well as areas surrounding local Friant districts. He stated that he joined the meeting today to obtain information about how local districts are preparing for Sustainable Groundwater Management Act (SGMA) compliance as well as noted the importance of conflict of interests for landowners, directors and districts. He also announced that he was recording the meeting.

Dave Dorrance, Kathy Briano and Bill Wallace entered the Boardroom at 9:05, 9:07 and 9:09 a.m. respectively.

APPROVAL OF THE MINUTES

M/S/U Gisler, McCowan to approve the Minutes of the Board of Directors Regular Meeting held February 20, 2018 as presented.

AUTHORIZATION TO PAY BILLS

Manager Geivet responded to Director Gisler's inquiry regarding the Keller & Wegley Engineering warrant on this list of bills to pay. Mr. Geivet explained that Mr. Keller's office has been working on the 218 process preparations and budgets for several years without billing us. He also noted that included in that statement are hours worked by Nick Keller on the Water Management Plan and water records for all three of his districts (Porterville, Saucelito and Terra Bella, time divided appropriately). The Manager also brought to the Board's attention Expansion Project Progress Payment #8 to contractor Nicholas Construction. This payment essentially wraps up Service Area #1 (SA1), less the retainer, as well as the start of work on Service Area #2 (SA2).

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

MONTHLY REPORTS – Financial Reports: Treasurer Griswold-Bratcher reviewed with the Board the January 2018 Balance Sheet, showing status of the banking accounts, and Income Statements for the same period. She noted that these reports are considered preliminary pending any additional year-end entries made as a result of the upcoming audit. BNY Mellon bank statement as of January 31, 2018 was also included in the meeting packet as well as Local Agency Investment Fund (LAIF) statement for January 2018 reflecting interest earned in the 4th Quarter of $8,565.26.

The Treasurer responded to Director McCowan's inquiry of a high balance reported in the January's Income Statement for Other Water Costs noting that the original check cut to Lower Tule River Irrigation District (LTRID), as approved last month, was voided and replaced after renegotiations by the Manager and LTRID staff. The overstatement on the financials is a result of two invoices being dated in January while the check and voided check transactions are all dated in February.

Michael Knight departed the Board room at 9:51 a.m.

Further discussion was held on the LTRID payment for 2017 water and the challenges in this district to try to maintain water inventory with all of the different sources of water available, including the frequencies of changes in classifications of water during the wetter years like 2017. Efforts will be made to provide clearer inventory reports.

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

Administration Report: The Manager directed the Board's attention to a request by new landowner Sierra View Health Care District for an exemption from Assessment for the 2017-18 tax year. He also included the District's response to that request explaining that any changes to the annual Assessment are made during the Board of Equalization in the Fall prior to billing. This property will be added to the list for consideration of exemption for the 2018-19 tax year during the annual Board of Equalization review.

The Board then reviewed a letter submitted by Matt Ross who is working with the Tule River Tribe Casino Relocation Effort. Mr. Ross stated the Tribe is looking for a letter of support for the effort.

Also included in the meeting packet were Spring well measurements obtained by District staff. The Manager noted the comparison of measurements from last Spring to this Spring reflecting an average increase, very likely due to the above average water year and the extensive recharge efforts by District and local landowners last year. Item #5.B.4. reported rainfall totals for the current year-to-date and going back through the 1960's.

Operations/Water Report: Manager Geivet informed the Board that the U.S. Bureau of Reclamation (Bureau) has officially declared a 30% Class 1 allocation and there are expectations that it should be increased to 40-45% Class 1 in the coming week due to recent storms. Some projections even lead to a 65% Class 1 allocation.

Status Report of Authorities: DCTRA, TRA, VAWC & FWA: Director Borba reminded his fellow directors and guests about the upcoming FWA Annual Meeting on Tuesday, March 27th at the Double Tree by Hilton – Fresno Convention Center.

San Joaquin River (SJR) Settlement Implementation: Nothing new to report.

Groundwater Regulation: The Manager noted that the Eastern Tule Groundwater Sustainability Agency (ETGSA) is working toward meeting compliance deadlines.

Pipeline Project: Mr. Geivet updated the Board and guests on the pipeline project noting that we are moving on with work on Service Area #2 (SA2). He also reported that he successfully obtained one of the last two easements. He has had favorable conversations with one of the partners of the property and hopes to obtain the last easement soon. The Manager also noted that the Treasurer received the Grant payment ($737,035.00) on the completed Service Area #1 portion of the project.

2018 WATER RATE AND POLICY; 2018 BUDGET – Review and consider a water rate change for the 2018 Irrigation Season. Review and consider revising the 2018 Annual Budget

Manager Geivet reminded the Board that the 2018 annual budget needs to be adopted in order to remain in compliance with the requirements of the Bond Holders. 2018 Water rates have not yet been discussed and will be tabled for a future meeting when a more accurate picture of our water season unfolds.

M/S/U Chambers, Witzel to adopt the annual 2018 budget as presented.

(A copy of the 2018 Budget as adopted is incorporated by reference in these minutes and is on file in the offices of the District).

218 PROCESS – Review and consider approval of Fiscal Year 2018 and 5-year Budgets and other District Policy Directives

Manager Geivet presented the Board and guests with the Engineer's budget. If approved today, the Engineer will prepare their report based upon this budget for approval at next month's meeting. Once that Engineer's report is approved, the process will continue by going to the public for review for a period before a public hearing is scheduled and then to vote.

> M/S/U Gisler, McCowan to approve the fiscal year 2018 and 5-year Engineer's budgets as presented.

(A copy of the 2018 and 5-Year Budgets as approved is incorporated by reference in these minutes and is on file in the offices of the District).

2017 AUDIT– Review and consider accepting Adair & Evans' proposal to audit the PID 2017 Financial Statements

Manager Geivet reported to the Board that we are required to have an additional, rigorous, organization-wide audit (A-133) performed on the 2017 Financial Statements due to the expenditure of money that we have been reimbursed or expect reimbursement by Federal (Grant) funds. Adair & Evans has informed us that they are not staffed properly for this particularly audit at this time. District staff will pursue obtaining a proposal from one or more firms that are qualified for the task.

All guests departed the Boardroom at 10:55 a.m.

Pursuant to Government Code Section 54956.9, the Board adjourned into closed session at 10:58 a.m.

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

The Board adjourned from closed session at 11:05 a.m.

No action taken.

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

Nothing to report.

ADJOURNMENT –President Borba adjourned the meeting at 11:07 a.m.

JAGBratcher

Jody A. Griswold-Bratcher, Secretary