

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

January 13, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:00 p.m. and noted that the annual Lindmore Irrigation District Financing Corporation meeting would be occurring at the same time as this meeting and that the bulk of that meeting will be addressed first and remain open till the close of this meeting.

Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler

Absent: None

Others present: Hagman (GM)

Minutes

The minutes for the December 9, 2014 Regular Meeting of the Board was presented. The following action was taken:

Motion: To approve the minutes of the December 9, 2014 meetings as provided 1st DePaoli and 2nd Brownfield - Motion passed by unanimous vote of those present

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Report: Operation and Maintenance: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues.

Drought Action Plan: GM Hagman reported back on plan objectives, targets, accomplishments and efforts.

Resolution 2014-03: GM Hagman reported that he is working with legal counsel on establishing the ordinance next year. He expected to have something back for the Board to act on at the March Board meeting.

Groundwater Management Legislation: GM Hagman noted that there are a few groups coming up as potential leaders on the issue in our area. He suggested partnering with one of them at a time when they full lead.

B. New Items for discussion and or action:

Presentation of the GM's Fiscal Year 2015 Proposed Budget: GM Hagman again presented his FY2015 proposed budget and reviewed it with the Board. GM Hagman asked

the Board to consider adopting the budget. He noted he made an assumption on both the allocation of water and the water rate. He added however that they did not need to adopt a rate. That can wait till we know what our water allocation will be. After considerable discussion the following action was taken:

February 10, 2015 Regular Board meeting: GM Hagman noted that the next regularly scheduled Board meeting would be on the first day of the International Farm Show. The following action was taken:

Motion: To move the February 10, 2015 regularly scheduled Board meeting to Monday February 9, 2015 (the day before)
1st DePaoli and 2nd Arnold - Motion passed by unanimous vote of those present

White Paper on Water Rates and Stand-By Charges: GM Hagman presented a paper that staff and board members can use to explain what we charge and why.

Grant Proposal: GM Hagman reported that he has been working on a grant proposal that will provide up to \$150,000 for water efficiency, power efficiency or similar types of efficiency. He explained the paper he sent with the Board packet. Noting that there will be about \$305,000 worth of work that needs to be done at the pumping plant. If we are successful in getting the grant the Board can take action later to adopt a resolution approving terms of the grant. GM Hagman noted that the Board doesn't need to approve spending money on the plant at this time.

Miscellaneous Administrative Items: GM Hagman reported on administrative issues.

C. Closed Session

At 2:30 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Closed Session: Conference with Legal Counsel Friant Water Authority legal issues (California GC 54956.9 – Counsel documents to be reviewed by Board)
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)

At 3:30 pm President Spuhler called the Board out of Closed Session and noted that no reportable action had been taken.

D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:
A/P Checks (11223-11276) dated for December 10, 2014 to January 13, 2015 (\$765,886.29), and Electronic Payroll for December 2014 (\$61,669.76) in the total amount of \$827,556.05.
- 1st Arnold and 2nd Adam - Motion passed by unanimous vote of those present

E. Hagman provided the financial reports and answered questions.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts – President Spuhler and GM Hagman reported on the settlement.

FWA Issues – President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman noted that there was a FPA Board meeting held on January 6. Much of what was talked about revolved around the State Energy Commission’s (CEC) activity with regard to denial of small renewable designation on the new plant. It seems there is a chance that FPA staff, with legal and engineering assistance, might have a palatable solution for CEC staff to meet our needs and comply with their policy.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported that he had a meeting in Sacramento for CVPWA Financial Affairs Committee on Friday January 16 and noted there was no cost to the District. He also reminded the Board of the meeting he will be attending in Reno, Nevada for the annual Water User’s Conference with the USBR. He said it would cost approximately \$500 for food and lodging. GM Hagman was asked to write a report of the efforts at that meeting.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

None

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Adam/Brownfield) carried by unanimous vote of those present. Meeting was adjourned at 4:06 pm.

Michael D. Hagman
District Secretary

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LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

February 9, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:06 p.m.

Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler

Absent: None

Others present: Hagman (GM)

Minutes

The minutes for the January 13, 2015 Regular Meeting of the Board was presented. The following action was taken:

Motion: To approve the minutes of the January 13, 2015 meetings as provided 1st Arnold and 2nd DePaoli - Motion passed by unanimous vote of those present

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Report: Operation and Maintenance: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues.

Resolution 2014-03: GM Hagman reported on efforts to develop an ordinance.

Groundwater Management Legislation: GM Hagman noted that there are a few groups coming up as potential leaders on the issue in our area. He suggested partnering with one of them at a time when they full lead.

B. New Items for discussion and or action:

Resolution 2015-01 – Change of Election Cycle from Odd Year to Even Year: The Board was presented with a proposed resolution to change to even year elections from the current odd year elections. GM Hagman noted that many of the larger entities were moving to even year. In their absence, the cost of the odd year election would be borne by fewer entities thus raising the cost of the election to participating entities. If the even year election is adopted, substantially more entities participate there and the costs will be less. It was also explained that all Directors will extend their current elected cycle out one year (five year term instead of four year). This action is allowable and governed by California Elections Code Section 10404. GM Hagman recommended the change to an even year election by adoption of this resolution for the purpose of saving costs. He also noted that the District

would have to bear the one-time cost of the change from odd to even year election which includes a mailing by the County. After some discussion the following action was taken:

Motion: To adopt Resolution 2015-01 and move the District's elections to even years.

1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present

Lien Action: GM Hagman requested the Board withdraw liens as noted on the schedule provided at the Board meeting. GM Hagman explained that they are small liens on parcels that are in Lindsay city limits and are over ten years old. The following action was taken:

Motion: To cancel the liens that are over ten years old and not currently being considered in any current or proposed law suits.

1st Arnold and 2nd Brownfield - Motion passed by unanimous vote of those present

Grant Proposal: GM Hagman reported that he had prepared a grant proposal to improve and update the motor-works and electrical controls at the District's pumping plant. He noted that the proposal he had prepared was for a grant for which the deadline had passed. He said that he could prepare it for another one due by March 3. He explained that the District would have to pay for about \$150,000 of the upgrades and the grant would cover the other \$150,000. The discussed this and noted that because there is likely not going to be any water this year, we should not lock up \$150,000 of District reserves.

Board of Director's Training: GM Hagman informed the Board that they will need their bi-annual training. The Board asked GM Hagman to find one that lasts about two to three hours.

Spring Well Measurement: GM Hagman noted that the start date for well measurements this spring have been set at March 9 by the USBR.

Miscellaneous Administrative Items: GM Hagman reported on administrative issues.

C. Closed Session

At 3:45 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Closed Session: Conference with Legal Counsel Friant Water Authority legal issues (California GC 54956.9 – Counsel documents to be reviewed by Board)
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)

At 4:08 pm President Spuhler called the Board out of Closed Session and noted that no reportable action had been taken.

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- D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11277-11317) dated for January 14, 2015 to February 9, 2015 (\$59,229.69), and Electronic Payroll for January 2015 (\$55,611.11) in the total amount of \$114,840.80.

- 1st Arnold and 2nd Adam - Motion passed by unanimous vote of those present

- E. GM Hagman noted that he did not prepare any financial reports because he is in the process of prepping for FY2014 audit. He noted that this year's loss would be \$100,000 to \$600,000 but also stated that some of that loss is depreciation.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts – President Spuhler and GM Hagman reported on the settlement.

FWA Issues – President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman reported that there hasn't been another FPA Board meeting since the last Lindmore meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported two meetings he attended in January. The annual Water User's Conference in Reno, Nevada and Central Valley Project Water User's Stakeholder meeting in Sacramento.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

None

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Adam/Brownfield) carried by unanimous vote of those present. Meeting was adjourned at 4:33 pm.

Michael D. Hagman
District Secretary

A large, stylized handwritten signature in blue ink, written over a horizontal line. The signature is highly cursive and loops around the text below it.

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LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

March 10, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:00 p.m.

Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler

Absent: None

Others present: Hagman (GM)

Minutes

The minutes for the February 9, 2015 Regular Meeting of the Board was presented. The following action was taken:

Motion: To approve the minutes of the February 9, 2014 meetings as amended (correction to dates and remove the Financing Corp statement from the notification heading)

1st Arnold and 2nd Brownfield - Motion passed by unanimous vote of those present

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Report: Operation and Maintenance: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues.

Resolution 2014-03: GM Hagman reported on efforts to develop an ordinance. He noted that today the Board would be reviewing the ordinance in an action on the agenda.

Groundwater Management Legislation: GM Hagman reported on meetings he has attended and documents he has read related to this issue.

Board of Director Training: GM Hagman noted that staff is setting up the meeting with Mr. Warson on February 27, 2015. All the Board members noted that they would be there.

Spring Well Measurement: GM Hagman noted that staff began taking measurements yesterday and that they should be done in about two weeks. He explained that he would have results by the next Board meeting.

B. New Items for discussion and or action:

FY 2014 Audited Financial Statements: GM Hagman reported that Dennis Hylton (Auditor) was not able to complete the audit in time for this meeting but anticipated it would happen for the next meeting.

Resolution 2015-02 – Change to the Friant Water Authority Joint Powers Agreement and By-laws: GM Hagman reported that the FWA took action at its February Board meeting to adopt changes to its by-laws (governing policies of the Authority) that were envisioned to assist the FWA in overcoming some of its policy challenges. However, some of the study’s suggestions included actions that the FWA Board can’t change without changes to the Joint Power Agreement (JPA). JPA’s rules are changed by actions of the individual Board. In particular the suggestion was that only elected officials represent districts at FWA meetings. To change the JPA, 75% of the members have to approve the change by Resolution. This resolution, if passed would vote yes to the studies suggested changes. After considerable discussion the following action was taken:

Motion: To adopt Resolution 2015-02 adopting the Friant Water Authority Strategic Planning Study recommendation.

1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present

Ordinance# LID0001: GM Hagman presented to the Board the ordinance that he and legal counsel developed to secure administrative power to the District with regard to water theft within the District. This presentation is for adoption today, but is for the Board to take a look at what policy (by ordinance) is being suggested by staff and counsel. GM Hagman noted that if there are any concerns about the results we should talk about it now. There was considerable discussion about why we couldn’t charge much more of a fine. GM Hagman noted that Counsel recommended being strict to the California Government Code as possible so as to avoid some offender claiming it was egregious. GM Hagman noted that he felt the administrative penalty, the water cost charge, and the suspension of water service for one year would likely be sufficient to deter and it followed Counsel’s concern of avoiding an egregious penalty. GM Hagman explained that he would have to put this in the Porterville Recorder at least five days before the next Board meeting. The Board will then consider adoption at the next Board meeting. If the Board votes to adopt it, he will have to put it in the paper again along with names of those voting yes and those voting no. After that, and pending no public objections, it becomes an official ordinance thirty days after the Board meeting.

Miscellaneous Administrative Items: GM Hagman reported on administrative issues.

C. Closed Session

At 3:00 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs

- Closed Session: Conference with Legal Counsel Friant Water Authority legal issues (California GC 54956.9 – Counsel documents to be reviewed by Board).
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)

At 3:45 PM President Spuhler called the Board out of Closed Session and noted that no reportable action had been taken.

- D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11318-11356) dated for February 10, 2015 to March 10, 2015 (\$178,119.43), and Electronic Payroll for February 2015 (\$52,599.35) in the total amount of \$230,718.78.

- 1st Arnold and 2nd Adam - Motion passed by unanimous vote of those present

- E. GM Hagman reviewed the financial reports and reminded the Board that they will likely change because he had several adjustments to make for the end of FY2014 and those will affect the FY2015 financials.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts – President Spuhler and GM Hagman reported on the settlement.

FWA Issues – President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman reported that there hasn't been another FPA Board meeting since the last Lindmore meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in February.

Correspondence Report:

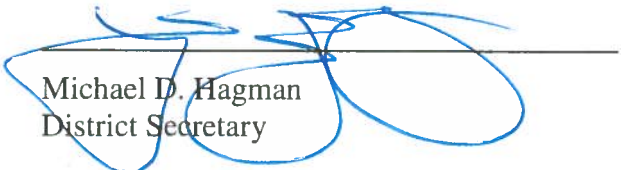
None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

None

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Adam/Brownfield) carried by unanimous vote of those present. Meeting was adjourned at 4:10 pm.



Michael D. Hagman
District Secretary

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LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

April 14, 2015

Roll Call and Acknowledgement of Visitors

Vice-President Brownfield called the meeting to order @ 2:00 p.m.

Present: Adam, Arnold, Brownfield

Absent: DePaoli, Spuhler

Others present: Hagman (GM), Dennis Hylton (Auditor)

Minutes

The minutes for the March 10, 2015 Regular Meeting and March 27, 2015 Special Board meeting were presented. The following action was taken:

Motion: To approve the minutes of the March 10 and March 27 meetings as amended

1st Adam and 2nd Brownfield - Motion passed by unanimous vote of those present

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Report: Operation and Maintenance: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues.

Resolution 2014-03: GM Hagman reported on efforts to develop an ordinance. He noted that today the Board would be reviewing the ordinance in an action on the agenda and that this resolution will be abolished.

Groundwater Management Legislation: GM Hagman reported on meetings he has attended and documents he has read related to this issue.

Spring Well Measurement: GM Hagman reported on the well levels noting a loss of 31.6 feet comparing Spring 2014 to Spring 2015.

Resolution 2015-02: GM Hagman reported that the Friant Water Authority Board made changes to their by-laws and that they wanted the Joint Powers Agreements to coincide with the by-law changes. The main changes were forming an Executive Committee (EC) and voting only by "elected" officials representing member districts. GM Hagman noted that the intent of the EC is to bring better understanding of issues to the Board

instead of all the policy decisions being centered on the general managers. This District took action last month to approve this resolution. Friant Water Authority by-laws require 75% approval to change the JPA. However, they did not get 75% and in fact are beginning to receive withdrawal letters from member districts. At this point I Fresno Irrigation District and Madera Irrigation District have submitted withdrawal letters. However, it is GM Hagman's understanding that Delano Earlimart, Lower Tule River, Pixley, Shafter Wasco, Exeter and Ivanhoe ID's will also be withdrawing. There is also concern that Tea Pot Dome and Stone Corral will withdraw. GM Hagman is attending all the Executive Committee meetings and he and President Spuhler will keep the Board informed of activity at Friant Water Authority.

B. New Items for discussion and or action:

- *FY 2014 Audited Financial Statements:* Dennis Hylton (Auditor) presented the Fiscal Year 2014 Audited Financial Statements and note that his opinion is that management's financial statements accurately reflect in all material matters the financial condition of the District.
- *Ordinance #0001:* GM Hagman presented to the Board the ordinance that he and legal counsel developed to secure administrative power to the District with regard to water theft within the District. This presentation is **not** for adoption today, but is for the Board to take a look at what policy (by ordinance) is being suggested by staff and counsel. GM Hagman noted that if there are any concerns about the results we should talk about it now. There was considerable discussion about why we couldn't charge much more of a fine. GM Hagman noted that Counsel recommended being strict to the California Government Code as possible so as to avoid some offender claiming it was egregious. GM Hagman noted that he felt the administrative penalty, the water cost charge, and the suspension of water service for one year would likely be sufficient to deter and it followed Counsel's concern of avoiding an egregious penalty. GM Hagman explained that he would have to put this in the Porterville Recorder at least five days before the next Board meeting. The Board will then consider adoption at the next Board meeting. If the Board votes to adopt it, he will have to put it in the paper again along with names of those voting yes and those voting no. After that, and pending no public objections, it becomes an official ordinance thirty days after the Board meeting.
- *Miscellaneous Administrative Items:* GM Hagman reported on administrative issues.

C. Closed Session

At 3:08 PM Vice-President Arnold called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Closed Session: Conference with Legal Counsel Friant Water Authority legal issues (California GC 54956.9 – Counsel documents to be reviewed by Board)
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)

- 401396
- Closed Session: Employee Evaluation - General Manager (California Government Code 54957)

At 3:30 PM Vice-President Arnold called the Board out of Closed Session and noted that no reportable action had been taken.

- D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11357-113402) dated for March 13, 2015 to April 14, 2015 (\$154,559.32), and Electronic Payroll for March 2015 (\$55,723.43) in the total amount of \$210,282.75.

- 1st Adam and 2nd Brownfield - Motion passed by unanimous vote of those present

- E. GM Hagman reviewed the financial reports and reminded the Board that they will likely because some revenues had not been posted yet.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts –GM Hagman reported on the settlement.

FWA Issues –GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman reported that there hasn't been another FPA Board meeting since the last Lindmore meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in February.

Correspondence Report:

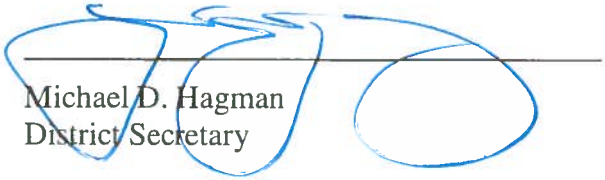
None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

None

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Brownfield/Adam) carried by unanimous vote of those present. Meeting was adjourned at 4:00 pm.



Michael D. Hagman
District Secretary

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LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

May 12, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler

Directors Absent:

Others present: Hagman (GM)

Minutes

The minutes for the April 14, 2015 Regular Board Meeting were presented and the following action was taken:

**Motion: To approve the minutes of the April 14, 2015 meeting as presented
1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present**

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues.

Groundwater Management Legislation: GM Hagman reported on meetings he has attended and documents he has read related to this issue.

B. New Items for discussion and or action:

Ordinance #0001- Prohibiting the Unauthorized Taking of Water and Establishing Sanctions: GM Hagman presented the Ordinance that had been prepared for Public Review and approval at this meeting. After some discussion the following action was taken:

**Motion: To adopt LID Ordinance #0001 and direct staff to enact and implement this Ordinance Prohibiting the Unauthorized Taking of Water and Establishing Sanctions for actions adverse to the Ordinance
1st DePaoli and 2nd Arnold - Motion passed by unanimous vote of those present**

Establishment of a rate for Extra-Ordinary 2015 Water: GM Hagman reported that he had obtained 1,644 acre feet of water that involves future return of water to the Exchange Contractors and Westlands Water District (approximately 500 AF combined) and cash to the Exchange Contractors. He noted that the District's only current revenues are the Stand-

by and Investment Revenues. Those revenues are not sufficient in meeting the total fixed costs of the District which are going to be close to \$1.64 million. Then the costs to administer, operate and maintain (AO&M) the District are estimated to be approximately \$1.47 million. The water will cost the District approximately \$705,000. He noted that assuming 1,450 AF are delivered, the minimum rate to cover just the cost of water is \$486 AF. He recommended adding up to \$764 more to cover a portion of the fixed costs and AO&M. Vice-President Arnold asked what the fully loaded (all costs of the District less available revenues divided by 1,450 AF) price of the water be. GM Hagman noted that it would be about \$2,175 AF. GM Hagman asked the Board to consider adopting a rate of \$1,130 AF which will cover a substantial amount of the current costs and will justify giving up future water for paying back to the Exchange Contractors and Westlands Water District. Director Adam suggested \$1,100 AF. GM Hagman explained that estimated losses for the District will about \$1.35 million in Fiscal Year 2015 at that rate. Without the water the losses would be about \$1.35 million if the District were to be shut down entirely today (and deliver no water at all) and nearly \$2.50 million if we AO&M the district through the year without delivering water. After considerable discussion the following action was taken:

Motion: To set the rate for 2015 Extra-Ordinary Water at \$1,100 AF
1st Brownfield and 2nd Adam - Motion passed by unanimous vote of those present

- *Drought Contingency Actions:* GM Hagman noted that he will be working with staff to minimize losses during the line charge. He noted that if we can charge our lines fully with wells, we will save 200 AF of water to sell. At \$1,100 AF that water would provide an additional \$220,000. Other actions are being taken to fully minimize line damage and waste of water.

Appointment of General Counsel: GM Hagman reported that after considerable review he would like to recommend a change of General Counsel from Jeff Meith to Zack Smith. He concludes this for a few reasons. First, most of the work that Counsel Meith does for the District, outside of water issues, can be handled by many competent lawyers in our County. In other words we would have access to that counsel much easier. Second, most of our water related issues require counsel specializing in that issue who have no conflict with other clients they serve. Counsel Meith's firm provides counsel the Exchange Contractors and therefore on matters of water in the San Joaquin River could expose him to conflict of interests. In fact, we had hired Smith's firm to represent us in the matters before the state and federal courts on those issues. Finally, and only a small issue, Meith's rate was raised to \$290 hour while Smith's is \$275 hour. Based on those reasons GM Hagman recommends concluding the services of Counsel Meith and appointing the services of D. Zachary Smith. After some discussion the following action was taken:

Motion: To appoint D. Zachary Smith as General Counsel to the Lindmore Irrigation District
1st Brownfield and 2nd Adam - Motion passed by unanimous vote of those present

- *Miscellaneous Administrative Items:* GM Hagman reported that he need no policy guidance on any administrative matters.

C. Closed Session

At 3:45 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Closed Session: Conference with Legal Counsel Friant Water Authority legal issues (California GC 54956.9 – Counsel documents to be reviewed by Board)
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)

At 4:10 PM President Spuhler called the Board out of Closed Session and noted that no reportable action had been taken.

- D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11403-11442, voided checks 11418 & 11420) dated for April 15, 2015 to May 12, 2015 (\$289,999.22), and Electronic Payroll for April 2015 (\$55,372.12) in the total amount of \$345,371.34.

1st Arnold and 2nd Adam - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman explained on the table were the investment schedule and Cantella statement as well as the Reconciliation Affidavit for March 2015 signed by the Kathy Bennett. He explained that all other financials will be available next month.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts –President Spuhler and GM Hagman reported on the settlement.

FWA Issues –President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman reported that there hasn't been another FPA Board meeting since the last Lindmore meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in February.

Correspondence Report:

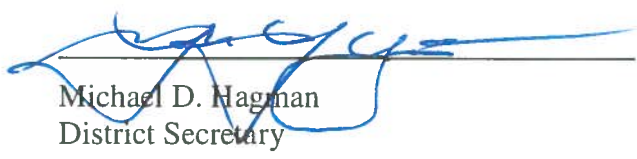
None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

None

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Brownfield/Arnold) carried by unanimous vote of those present. Meeting was adjourned at 4:25 pm.



Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

June 9, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler

Directors Absent:

Others present: Hagman (GM)

Minutes

The minutes for the May 12, 2015 Regular Board Meeting were presented and the following action was taken:

**Motion: To approve the minutes of the May 12, 2015 meeting as presented
1st Adam and 2nd Brownfield - Motion passed by unanimous vote of those
present**

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues.

Groundwater Management Legislation: GM Hagman reported on meetings he has attended and documents he has read related to this issue.

Appointment of General Counsel: GM Hagman reported that he had spoken directly with former General Counsel Jeff Meith and with new General Counsel Zack Smith and has announced the transfer publicly after meeting with both men.

District Open House Report: GM Hagman reported that there were approximately 175 people at the Open House. He noted that both Soil Basics and a private individual had donated \$1,000 to the cost of the open house. Having less than \$100 cost to the District.

B. New Items for discussion and or action:

- *Drought Contingency Actions:* GM Hagman reported that efforts are being made to minimize operational losses.

- 21403
- *Miscellaneous Administrative Items:* GM Hagman reported that he need no policy guidance on any administrative matters.

C. Closed Session

At 3:00 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Closed Session: Conference with Legal Counsel Friant Water Authority legal issues (California GC 54956.9 – Counsel documents to be reviewed by Board)
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)

At 4:05 PM President Spuhler called the Board out of Closed Session and noted that no reportable action had been taken.

- ### D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11443-11482) dated for May 13, 2015 to June 9, 2015 (\$803,990.97), and Electronic Payroll for May 2015 (\$54,361,41) in the total amount of \$858,352.38.

1st Arnold and 2nd Adam - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman explained on the table were the investment schedule and Cantella statement as well as the Reconciliation Affidavit for March 2015 signed by the Kathy Bennett. He explained that all other financials will be available next month.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts –President Spuhler and GM Hagman reported on the settlement.

FWA Issues –President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman reported that there hasn't been another FPA Board meeting since the last Lindmore meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in February.

Correspondence Report:

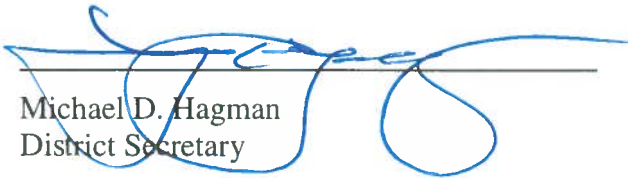
None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

None

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Adam/DePaoli) carried by unanimous vote of those present. Meeting was adjourned at 4:23 pm.



Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

July 14, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler
Directors Absent: None
Others present: Hagman (GM)

Minutes

The minutes for the June 9, 2015 Regular Board Meeting were presented and the following action was taken:

**Motion: To approve the minutes of the June 9, 2015 meeting as presented
1st Arnold and 2nd Brownfield - Motion passed by unanimous vote of those
present**

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on precipitation and other supply issues noting that the District has recorded 0.64 inches of rain in the month of July and also noted that there were only 0.67 inches in total precipitation in the months of January, February and March of 2015 combined.

Groundwater Management Legislation: GM Hagman reported on meetings he has attended and documents he has read related to this issue.

B. New Items for discussion and or action:

- *Drought Contingency Actions:* GM Hagman reported that efforts are being made to minimize operational losses.
- *Miscellaneous Administrative Items:* GM Hagman reported that he need no policy guidance on any administrative matters.
- *Operations Discussion:* Connecting private lines to District Lines was discussed. GM Hagman was tasked with developing a list of areas where this action could occur.
- *Water Security for 2015:* GM Hagman asked the Board to consider paying the \$50 each day for the staff member who is on call. He explained that they are being asked

11 406
to wake up a couple times in the night and check the SCADA system for anomalies. This action will provide heightened coverage against operational losses, and theft of water. After some discussion, the following action was taken:

Motion: To authorize a temporary compensation differential of \$50 to one staff member per night for their standby due to being required to wake up and perform security on the system.

1st Arnold and 2nd Brownfield - Motion passed by unanimous vote of those present

- *Amendments to the Lindmore Irrigation District Employee Pension Plan:* GM Hagman reported that the District needs to take action to modify its current Retirement Plan Document to adopt changes required by federal laws. The changes are all associated with military and reserve employees differential pay and return to work without loss of plan vesting. After some questions and discussion the following action was taken:

Motion: To adopt the changes to the Lindmore Irrigation District Employee Pension Plan as provided by the plan's third party administrator MassMutual in order to comply with current federal laws

1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present

C. Closed Session

At 2:10 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)
- Conference with Legal Counsel Pending Litigation [Government Code Section 54956.9(d)(1)] Name of Case: Lindmore Irrigation District v. Oscar Martinez, et al.

At 2:48 PM President Spuhler called the Board out of Closed Session and reported that the Board had taken action in Closed Session to reject the claims of Mario Santoyo and Priscilla Rodriguez.

- #### D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11483-11516, 11518-11522) dated for June 10, 2015 to July 14, 2015 (\$258,522.40), and Electronic Payroll for June 2015 (\$55,724.83) in the total amount of \$314,247.23.

77407
1st Adam and 2nd Brownfield - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman noted that the reports will be available next month.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts –President Spuhler and GM Hagman reported on the settlement.

FWA Issues –President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli and GM Hagman reported that there hasn't been another FPA Board meeting since the last Lindmore meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in February.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

Lindmore Irrigation District Board participated by teleconference on the Friant Water Authority special board meeting and remained in session till the end of the call. Directors DePaoli and Arnold each departed the Board meeting at 4:00 pm

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Brownfield/Adam) carried by unanimous vote of those present. Meeting was adjourned at 5:10 pm.



Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

August 11, 2015

Roll Call and Acknowledgement of Visitors

President Spuhler called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, DePaoli, and Spuhler

Directors Absent: None

Others present: Hagman (GM)

Minutes

The minutes for the July 14, 2015 Regular Board Meeting were presented and the following action was taken:

**Motion: To approve the minutes of the July 14, 2015 meeting as presented
1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present**

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on water supply issues in the District.

Groundwater Management Legislation: GM Hagman noted that setting a date was not feasible at this time but that we would be having a report later on the agenda to discuss setting up a groundwater sustainability agency.

Operations Discussion – GM Hagman reported that he was not able to meet with Jason and an engineer regarding connecting private lines to the District lines. He will need some more time to figure out how to best address the issue.

Drought Contingency Actions: GM Hagman noted that no additional drought actions have occurred however, we have two months of reporting from the USBR and there is 15% variance between their July readings and ours.

B. New Items for discussion and or action:

- *Friant Water Authority Cost Allocation Plan:* GM Hagman reported that FWA is considering paying a substantial amount of money to hire a Chief Executive Officer (CEO). This CEO will have a substantially larger focus on external issues rather than the FWA daily administration, operations and maintenance. This new focus of the

21409

CEO will be a substantial shift from the prior "GM" and because of this general member effort focus, the non-FWA districts who benefit from the FWA's Friant Kern Canal O&M are going to fight us if the allocation is more than it should be. FWA asked GM Hagman to put together a cost allocation method that could be easily explained and easily implemented. The FWA Board would like the FWA member districts to consider their membership commitment. If the FWA Board hires this person (at about \$400,000 total cost a year), and commits to this person for 3-5 years will the district stay with FWA or the financial commitment of this position. After considerable discussion, the Lindmore Board of Directors affirmed that it had accepted the changes derived from the Friant study, which included hiring a CEO, and commits to the terms of the contract that will be developed to hire a CEO at approximately \$400,000.

- *Groundwater Sustainability Agency GSA Discussion* – GM Hagman reported that after several meetings with the county, he feels it is time for Lindmore to take a position on how it will address the State Groundwater Sustainability Act compliance. There are at least three ways: 1. Do nothing and let the State direct the plan, 2. Work with a county wide agency or, 3. Form our own by ourselves or with partners. GM Hagman felt that the best way was to form a GSA with LSID, the City of Lindsay and ourselves and possibly adding Lewis Creek. We cannot simply choose to go to the district to the south because they are in the Tule Sub Basin and we are in the Kaweah Sub-Basin. We can change sub-basins but GM Hagman feels approval would be a long shot and expensive. After considerable discussion the consensus of the Board was to work with the City and LSID and get their feeling and take on this arrangement and report back at the next LID board meeting.
- *Miscellaneous Administrative Items:* GM Hagman reported that did not need any policy guidance on any administrative matters but reported on administrative issues.

C. Closed Session

At 3:25 PM President Spuhler called the Board into closed session for the following items:

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)
- Conference with Legal Counsel Pending Litigation [Government Code Section 54956.9(d)(1)] Name of Case: Lindmore Irrigation District v. Oscar Martinez, et al.

At 3:34 PM President Spuhler called the Board out of Closed Session and reported that the Board had taken no reportable action in Closed Session.

- #### D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11517, 11523-11562) dated for July 15, 2015 to August 11, 2015 \$110,076.69.

01410
1st Arnold and 2nd Adam - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman provided the financial reports and answered questions.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts –President Spuhler and GM Hagman reported on the settlement.

FWA Issues –President Spuhler and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Director DePaoli on the last FPA meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in February.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

President Spuhler noted that he needs to stop attending additional meetings outside of the District meeting. He therefore asked Director DePaoli to begin representing the District at the Friant Water Authority meetings instead of himself. President Spuhler also asked Vice-President Arnold to begin attending the Friant Power Authority meetings instead of Director DePaoli. They both agreed. These assignments will be effective immediately however, he will attend the next FWA meeting with Director DePaoli and Director DePaoli was asked to attend with Director Arnold at the next FPA meeting.

Adjourn

There being no further business to come before the Board, President Spuhler asked for a motion to adjourn: Motion to adjourn (Brownfield/Adam) carried by unanimous vote of those present. Meeting was adjourned at 4:05 pm.



Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

September 8, 2015

Roll Call and Acknowledgement of Visitors

Vice-President Arnold called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, and DePaoli

Directors Absent: Spuhler

Others present: Hagman (GM)

Minutes

The minutes for the August 11, 2015 Regular Board Meeting were presented and the following action was taken:

Motion: To approve the minutes of the August 11, 2015 meeting as presented 1st DePaoli and 2nd Brownfield - Motion passed by unanimous vote of those present

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on water supply issues in the District.

Groundwater Management Legislation: GM Hagman reported this action will come off the agenda as we will be working on considering establishing a GSA.

Operations Discussion – GM Hagman reported that he was working with staff to develop a map of places in the District where attaching private systems to the District lines will be feasible.

Drought Contingency Actions: GM Hagman noted that staff is being vigilant in repairing leaks quickly and watching activity in the lines to insure minimal water is lost.

B. New Items for discussion and or action:

- *President Spuhler potential resignation:* GM Hagman reported that President Spuhler is considering resigning and would like the Board to consider an appointment to replace him. The Board discussed several names and made an assignment to Director

DePaoli directing him to visit a couple of the people discussed and determine their interest in serving on the Board of Directors.

- *Groundwater Sustainability Agency GSA Discussion* – GM Hagman reported on his visit with Mike Camarena (City of Lindsay) and Scott Edwards (Lindsay-Strathmore Irrigation District) as directed by the Board at the last board meeting. He noted that both agencies were amenable to the notion of forming a GSA for this area. It was noted that the three entities (and possible Lewis Creek WD) would need to form a joint powers authority to have political jurisdiction over the common area. GM Hagman reported that he spoke with Counsel Zack Smith who stated it would cost about \$2,500 to form the JPA and there are models to follow (City of Visalia, City of Tulare and Tulare Irrigation District GSA-JPA). The Board asked GM Hagman to proceed with talks with the other agencies to further the idea and to work with Counsel Smith to form the JPA if that is the direction of the other agencies.
- *Miscellaneous Administrative Items:* GM Hagman reported that did not need any policy guidance on any administrative matters but reported on administrative issues.

C. Closed Session

At 3:00 PM GM Hagman reported that there was no closed session updates on any the items below and asked the Board to table these items till the next Board meeting. VP Arnold tabled the closed session.

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
 - Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)
 - Conference with Legal Counsel Pending Litigation [Government Code Section 54956.9(d)(1)] Name of Case: Lindmore Irrigation District v. Oscar Martinez, et al.
- D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows:

A/P Checks (11557-11562 dated August 11 and 11563-11602 dated for August 12, 2015 to September 8, 2015) in the combined amount of \$509,356.76.

1st Adam and 2nd Brownfield - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman provided the financial reports and answered questions.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported on one workplace injury and that there were a couple of lost days by one individual. Board members asked questions on the activities of the District and GM Hagman answered them.

San Joaquin River Settlement and Water Contracts –GM Hagman reported on the settlement.

FWA Issues –Director DePaoli and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Vice President Arnold and GM Hagman reported on the last FPA meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in August and reported on the upcoming meetings. Vice President Arnold made assignments to directors to attend upcoming meetings.

Correspondence Report:


None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

No other items were discussed.

Adjourn

There being no further business to come before the Board, Vice-President Arnold asked for a motion to adjourn: Motion to adjourn (Brownfield/Adam) carried by unanimous vote of those present. Meeting was adjourned at 3:55 pm.



Michael D. Hagman
District Secretary

201414

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

October 13, 2015

Roll Call and Acknowledgement of Visitors

Vice-President Arnold called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, and DePaoli

Directors Absent: Spuhler

Others present: Hagman (GM)

Minutes

The minutes for the September 8, 2015 Regular Board Meeting were presented and the following action was taken:

Motion: To approve the minutes of the September 8, 2015 meeting as presented

1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present

Resignation

President A. Leroy Spuhler submitted his resignation as a member of the Board effective October 1, 2015. This leaves a vacancy on the Board as well as officer positions unfilled. After some discussion the following action was taken:

Motion: To accept the resignation of President Spuhler and nominate John Arnold as President. Nomination was accepted.

1st DePaoli and 2nd Brownfield - Motion passed by unanimous vote of those present

Motion: Nomination of Dave DePaoli as Vice President. Nomination was accepted.

1st Adam and 2nd Brownfield – Motion passed by unanimous vote of those present

Further discussion ensued regarding whether the Board should appoint someone or wait to allow for the next election. It was decided that due to the substantial activity on the Board it would be wise to appoint someone to fill the vacant Division 3 Director. Several names were discussed. It was noted that at least a couple growers in that Division were interested. The Board realized that they should talk to at least those two and one more name was suggested as well. GM Hagman noted that is how it was done in the past. GM Hagman was directed to submit a letter to the County noting that vacancy and that the Board intends on filling the vacancy by appointment. He was also tasked with any other task necessary to accomplish appointment at the next Board meeting (November 10, 2015). Director's DePaoli and Brownfield were tasked with visiting the three individuals discussed today.

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on water supply issues in the District. Director Adam asked GM Hagman to have the guys check on a possible leak just east of his home on Avenue 228.

Groundwater Management Legislation: GM Hagman reported this action will come off the agenda as we will be working on considering establishing a GSA.

Operations Discussion – GM Hagman reported that he was working with staff to develop a map of places in the District where attaching private systems to the District lines will be feasible.

Drought Contingency Actions: GM Hagman noted that staff is being vigilant in repairing leaks quickly and watching activity in the lines to insure minimal water is lost.

B. New Items for discussion and or action:

- *Resolution 2015-03 – Section 215 Contract with the USBR:* GM Hagman explained that in order for the District to get Section 215 water, it is required to pass a resolution authorizing the District to enter into a contract with the USBR for that water. After minimal discussion the following action was taken:
 - **Motion: Approve Resolution 2015-03 that will authorize the District to enter into a Section 215 Contract with the USBR and to authorize the Board President and Secretary to sign the contract.**
1st Brownfield and 2nd Adam - Motion passed by unanimous vote of those present
- *Consider hiring a consultant for bond compliance issues on a time and materials basis* – GM Hagman explained that although he has received training annually on necessary actions needed by the District in order to comply with the 2010A Bond, he recently discovered he had not fully complied. He further explained that he could hire a consultant that would manage that task for the District at a time and material basis. He recommends Josh Lenz at Fieldman and Rollapp. GM Hagman noted that he already taken the liberty of calling Mr. Lenz who said he would be willing to and that it would cost about \$800-\$1,500 a year. GM Hagman also spoke with Delano-Earlimart ID general manager and he stated that his costs were typically at \$1,000 a year. GM Hagman noted that he has budget authority to hire this individual but wanted to know if the Board had any concerns with this action. President Arnold asked for any concerns and after a brief period he said to proceed as recommended.
- *Budget Presentation* – GM Hagman presented his Fiscal Year 2016 Draft Budget. He explained that the Board receives the draft in October so that staff can get the Board's

416
concerns when developing the budget. There were three items that he was concerned about and wanted the Board's direction on.

- a. Represented Employees Memorandum of Understanding (MOU) expires on December 31, 2015. GM Hagman explained that he could not develop a contract until he knew fully what the impact of health reform would be on the health insurance budget this is because the MOU has a requirement to pay for health insurance for the employee and half of the family's costs. GM Hagman expected a 40% increase in that cost item and because of that, he felt it would be prudent to wait to use that as a cost value negotiating item. GM Hagman suggested that the Board extend the contract for one year. That extension would include a minimum of 1.5% cost of living adjustment. However, he noted that the Consumer Price Index for August compared to a year ago was only 0.2%. The Board directed Hagman to renegotiate the existing contract and to note that there is substantial concern over the cost of doing business and the lack of water and that the insurance cost increase was substantial.
 - b. Non-Represented employees (Baranek, Collier and Rowe): The Board explained that there will be no COLA increase for Fiscal Year 2016
 - c. Health Insurance Rates: GM Hagman explained that due to the "Affordable Care Act" (ACA) the health insurance rates increased significantly. Moving from the non-ACA compliant plans to the ACA compliant equivalent would raise the insurance premiums by nearly 40%. GM Hagman worked with the insurance agent and developed plans that meet the standard established in the MOU. Those are very expensive and would require employees with family coverage to pay a significant amount each month (which is what the MOU requires). However, he was able to find other plans that would be much less expensive for the District and require less or no out of pocket costs for the employee depending on what they choose. The overall increase was reduced from the expected \$33,500 to about \$13,000. The Board asked that I proceed with that proposal to the employees.
- *Miscellaneous Administrative Items:* GM Hagman reported that did not need any policy guidance on any administrative matters but reported on administrative issues.

C. Closed Session

GM Hagman explained that District Legal Counsel Zack Smith would be waiting to be phoned into the meeting right at 3:00 PM. At 3:00 President Arnold called the Board into closed session.

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)
- Conference with Legal Counsel Pending Litigation [Government Code Section 54956.9(d)(1)] Name of Case: Lindmore Irrigation District v. Oscar Martinez, et al.

At 3:30 PM President Arnold moved the Board into open session and stated that no reportable action was taken during closed session.

- D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

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Motion: To ratify the payments made to pay the bills as follows:
A/P Checks (11603-11624 September 15 to October 14, 2015) in the amount of \$251,939.56, Payroll for the months of July 2015 (\$60,375.02), August 2015 (\$59,249.26), and September 2015 (\$60,140.40) for a combined total of \$431,704.24.

1st Adam and 2nd DePaoli - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman updated the Board on the financial condition of the District by referencing the Draft 2015 budget and the expected \$1.2 million shortfall expected this year.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported no administrative report.

San Joaquin River Settlement and Water Contracts –GM Hagman reported on the settlement.

FWA Issues –Director DePaoli and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Vice President Arnold and GM Hagman reported on the last FPA meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in August and reported on the upcoming meetings. Vice President Arnold made assignments to directors to attend upcoming meetings.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

No other items were discussed.

Adjourn

There being no further business to come before the Board, President Arnold asked for a motion to adjourn: Motion to adjourn (DePaoli/Adam) carried by unanimous vote of those present. Meeting was adjourned at 4:05 pm.



Michael D. Hagman
District Secretary

1418

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

November 10, 2015

Roll Call and Acknowledgement of Visitors

President Arnold called the meeting to order @ 2:00 p.m.

Directors Present: Adam, Arnold, Brownfield, and DePaoli

Directors Absent:

Others present: Hagman (GM), Steve Milanesio, Edward Milanesio

Minutes

The minutes for the October 13, 2015 Regular Board Meeting were presented and the following action was taken:

**Motion: To approve the minutes of the October 13, 2015 meeting as presented
1st DePaoli and 2nd Adam - Motion passed by unanimous vote of those present**

Division 3 Board Vacancy Appointment:

The Board invited two interested Division 3 members to be considered to be appointed to fill the vacancy in Division 3 seat created at the resignation of A. Leroy Spuhler. The Board interviewed each candidate in open session. After the interviews, the Board took the following action:

**Motion: Appoint Edward J. Milanesio to the Division 3 seat of the District's
Board of Directors
1st Brownfield and 2nd Adam – Motion passed by unanimous vote of those
present**

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on water supply issues in the District.

Operations Discussion – GM Hagman reported that he was working with staff to develop a map of places in the District where attaching private systems to the District lines will be feasible.

Drought Contingency Actions: GM Hagman noted that staff is being vigilant in repairing leaks quickly and watching activity in the lines to insure minimal water is lost.

B. Closed Session

District Legal Counsel Zack Smith joined the meeting by telephone and President Arnold called the Board into closed session at 3:00 P.M.

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case)
- Conference with Legal Counsel Pending Litigation [Government Code Section 54956.9(d)(1)] Name of Case: Lindmore Irrigation District v. Oscar Martinez, et al.

At 3:26 PM President Arnold moved the Board into open session and stated that no reportable action was taken during closed session.

C. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

**Motion: To ratify the payments made to pay the bills as follows:
A/P Checks (11625-11661 October 15, 2015 to November 10, 2015) in the amount of \$239,876.19.**

1st Adam and 2nd DePaoli - Motion passed by unanimous vote of those present

D. Financial Report and Issues

GM Hagman updated the Board on the financial condition of the District by referencing the Draft 2015 budget and the expected \$1.2 million shortfall expected this year.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported no administrative report.

San Joaquin River Settlement and Water Contracts –GM Hagman reported on the settlement.

FWA Issues –Director DePaoli and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Vice President Arnold and GM Hagman reported on the last FPA meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in October and reported on the upcoming meetings. President Arnold made assignments to directors to attend upcoming meetings.

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Next Board meeting: President Arnold asked the Board to participate in a visit together at the Quinten Luallen Power Plant. Due to Directors not being available to participate in both the District meeting and the tour on the day of the regular meeting President Arnold suggested the Board move the regular meeting to Wednesday December 9, 2015 at 9:00 AM. To travel to the plant and then return to hold the balance of the meeting at the District at approximately 2:00 pm.

**Motion: Move the Board meeting to Wednesday December 9, 2015 at 9:00 A.M., travel to Friant Dam for a tour of QLPP and return to the District by 2:00 P.M. to hold the balance of the meeting at the District.
1st DePaoli and 2nd Brownfield – Motion passed by unanimous vote of those present**

President Arnold set the next Financing Corporation meeting for December 9, 2015

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

No other items were discussed.

Adjourn

There being no further business to come before the Board, President Arnold asked for a motion to adjourn: Motion to adjourn (Brownfield/DePaoli) carried by unanimous vote of those present. Meeting was adjourned at 4:05 pm.



Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

December 9, 2015

Roll Call and Acknowledgement of Visitors

President Arnold called the meeting to order @ 9:00 p.m.

Directors Present: Adam, Arnold, Brownfield, DePaoli, and Milanesio

Directors Absent: None

Others present: Hagman (GM)

Minutes

The minutes for the November 10, 2015 Regular Board Meeting were presented and the following action was taken:

Motion: To approve the minutes of the November 10, 2015 meeting as presented
1st Adam and 2nd Brownfield - Motion passed by unanimous vote of those present

Friant Power Authority:

The Board had invited public who would be in attendance to visit with them at the Friant Dam to view the new power plant construction progress. There was no public present. GM Hagman explained that Jason Baranek (District staff member) would be driving. He also explained that no items on the agenda can be discussed on the trip. Questions regarding the plant construction progress or affiliated information may be discussed. The Board departed at 9:15 AM with several available seats for members of the public but none were in attendance.

The Board arrived at the plant at 10:30 AM. They visited the site and were educated on the progress of the power plant construction the on-site engineer. In addition, GM Hagman took the Board members to tour the Friant-Kern power plant. The Board left the Friant Dam area at 11:30 AM and arrived back at the District office at 2:00 PM (the Board ate lunch in Selma, California).

Prior/New Action Items

A. Report on Prior Board actions/discussions:

Operation and Maintenance Report: GM Hagman reported on staff operations and maintenance efforts.

Water Supply Report: GM Hagman reported on water supply issues in the District.

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Operations Discussion – GM Hagman reported that he was working with staff to develop a map of places in the District where attaching private systems to the District lines will be feasible.

Ground Water Sustainability Agency: GM Hagman reported that he had met with key staff at the Lindsay-Strathmore Irrigation District, City of Lindsay, Lewis Creek Water District and Strathmore Public Utility District and has gained confidence that they are willing to work with the District to develop an eastern Kaweah Sub-basin ground water sustainability agency (GSA). He also explained that representatives from these entities will be meeting with other eastern Kaweah Sub-Basin interested parties this evening at 5:30 PM at the Exeter City Hall. Due to frost conditions, all the Board members indicated they would not be able to attend tonight's meeting.

Southern California Edison encroachment issue: GM Hagman explained that after substantial emails, phone calls and site visits, SCE passed the encroachment and damage claims issue on to Asplundh. SCE stated that Asplundh was the contractor for SCE on the pole replacement and they would be working with us to rectify the issue.

Report on damage lines in the District: GM Hagman explained to the Board that the District has been experiencing an increase in damage to its buried lines by "rippers". He stated that there are typically three reasons why our lines get damaged. He stated that the reasons are: No underground service alert (USA) was called in by the landowner (or contractor), a USA was done but the owner/contractor ignored or misinterpreted the marking and flagging, District Staff incorrectly marks/labels USA. Board members asked what staff is doing about these issues. GM Hagman stated that clearly when we make the mistake, staff owns up to the issue. The other two we have to sometimes discover when the lines are filled. Regarding mismarking/mis-flagging, GM Hagman noted that there are substantial lines that were replaced and the drawings were not updated to reflect the change. Staff will be "pot-holing" lines to discover their position and we will be updating maps as we proceed. When it is the other two, GM Hagman explained that the landowner/contractor has to pay for the repair.

B. New Action Items

Consider nominating GM Hagman to fill the upcoming GM vacancy at Friant Power Authority: GM Hagman explained the benefits of the District staff taking on this responsibility. The Board was interested but would like to defer to a future board meeting to discuss it.

Budget Presentation: GM Hagman presented his Fiscal Year 2016 proposed budget and estimated water rate. He noted that they do not have to adopt a rate today, but that he estimated the budget to be slightly less than Fiscal Year 2015 and the estimated base rate for water (if an average delivery occurs from March to November) will need to be set at about \$90 AF. Several questions were asked about particular budget numbers and GM Hagman answered them. At the end of the discussion GM Hagman asked the Board to consider adopting the budget. After some further discussion the following action was taken:

Motion: To adopt the GM's Proposed Fiscal Year 2016 Budget as presented and that no rate will yet be adopted but it is noted that this budget assumes a base rate of approximately \$90 acre foot.

1st DePaoli and 2nd Brownfield - Motion passed by unanimous vote of those present

Sites Reservoir (Discussion and education): GM Hagman provided a 20 minute discussion and education on reservoir efforts in the State Bond. In particular he discussed the benefits of Temperance Flat and Sites Reservoirs.

Report on Martinez v. Lindmore Irrigation District: GM Hagman reported that the lien sale was successful and the District would be receiving a check in the amount of about \$15,000 in the next month or so for the years of unpaid liens.

Miscellaneous administrative items: None to discuss

C. Closed Session

President Arnold called the Board into closed session at 3:04 P.M. to read legal counsel documents.

- Conference with Lead Negotiator (agency designated Michael Hagman) Property, Water Rights and or Exchange Programs
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (One potential case) GC Section 54956.9(d)(4)
- Conference with Legal Counsel Anticipated Litigation-Counsel Documents to be reviewed by the Board (Two potential cases) GC Section 54956.9(d)(4)

At 3:13 PM President Arnold moved the Board into open session and stated that no reportable action was taken during closed session.

- ### D. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

**Motion: To ratify the payments made to pay the bills as follows:
A/P Checks (11662-11700 November 11, 2015 to December 9, 2015) in the amount of \$380,866.69.**

1st Adam and 2nd DePaoli - Motion passed by unanimous vote of those present

E. Financial Report and Issues

GM Hagman updated the Board on the financial condition of the District by referencing the Fiscal Year 2015 budget progress and stated that he expected as much as a \$1.3 million shortfall expected this year.

The Board reviewed the August, September and October reconciliation affidavits performed by Kathy Bennett.

Reports and Discussion on meetings attend or other water related business reports:

Administrative Report: GM Hagman reported no administrative report.

San Joaquin River Settlement and Water Contracts –GM Hagman reported on the settlement.

FWA Issues –Director DePaoli and GM Hagman reported open session items of the FWA including the Strategic Planning/Organizational Review of FWA.

Friant Power Authority (FPA) – Vice President Arnold and GM Hagman reported on the last FPA meeting.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: GM Hagman reported meetings he attended in November and reported on the upcoming meetings. President Arnold made assignments to directors to attend upcoming meetings.

President Arnold opened the Financing Corporation meeting for December 9, 2015 at 3:25 PM and closed it at 3.45 PM.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

No other items were discussed.

Adjourn

There being no further business to come before the Board, President Arnold asked for a motion to adjourn: Motion to adjourn (Brownfield/Adam) carried by unanimous vote of those present. Meeting was adjourned at 3:45 pm.


Michael D. Hagman
District Secretary