

FEBRUARY 13, 2019

The Board of Directors of the Terra Bella Irrigation District met this day in regular session at the office of the District located at 24790 Avenue 95, Terra Bella, California.

CALL TO ORDER

President Wheaton called the meeting to order at 9:02 a.m.

ATTENDANCE

DIRECTORS PRESENT: Wheaton, Fowler, Doyel, Martinez, Galloway

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean P. Geivet, District Manager
Ann Nelms, District Secretary-Treasurer
Albert Smith, Superintendent District Operations
Bill Samarin

AGENDA – CONSIDER CHANGES OR ADDITIONS TO THE AGENDA

No changes were made to the posted agenda.

PUBLIC INPUT

President Wheaton asked for public input.

Manager Geivet included in the Board packet a letter to Chris Tantau Friant Water Authority Chairman of the Board from nine Friant Kern Canal water users who are not members of the Friant Water Authority expressing interest in participating by representation in the decisions being made in regards to the subsidence fix on the canal.

APPROVAL OF MINUTES

M/S/U, Fowler, Doyel to approve the minutes of the January 9, 2019 regular meeting as presented with correction to wording.

AUTHORIZATION TO PAY BILLS Review and discuss outstanding bills.

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

MONTHLY REPORTS

Treasurer Nelms reviewed with the Board the financial status of the District, including TBID Investment Policy Review in Compliance with SB 564 and SB 866. Included in the review; monthly statements from California Bank & Trust and Local Agency Investment Fund, Friant Power Authority revenue and expenditure summary worksheet. Delinquent water accounts. TBID balance sheet as of December 31, 2018, as well as Income Statements for the same period, including a year to date statement, was reviewed.

Albert Smith, Operations Superintendent, presented his monthly operating activities report for January 2019. Welcome new employee Morgan Day to TBID. No employee matters, accidents or injuries to report this month. Still running the small VFD. Numerous leak holes repaired. Weeding and clean up at station #7, #8 and #3 complete. All pumps and motors at stations #7, #8 and #3 greased.

Equipment Maintenance and repair included new lights installed in the office building, Lights on the 580L backhoe replaced and updated, Turnupseed performed predictive testing at stations #1, #8 and #9. At Station #1 pump motor #7 leads damaged, pump motor #4 rewind the stator, balance the rotor, machine both end bells, and assemble with new bearings and grease. At station #8 we found pump motor # 3 to have a dead short, after Turnupseed broke the motor down, they found the stator badly damaged, due to the heaters overheating, and cooking off the insulation on the stator. They are going to rewind the stator, balance the rotor, assemble with new bearings, heaters, and grease. At station #9, we found pump motor #2, over drawing current. After Turnupseed broke down the motor, they found that the rotors were not repairable, and would cost as much as a new motor to replace.

WTP average flow through the plant is around 400 gpm. Repair 2 main line leak on Ave 76 West of Road 248 and Road 248 North of Ave 80

The total precipitation is 5.33 inches. USA locates: 23

Manager Geivet presented his monthly report. Mr. Geivet updated the Board on the current year water expected allocation and the likely uncontrolled season due to the level at the reservoir. Updated the Board on the transfer for

the San Luis Reservoir Water to Arvin-Edison for Homer. Discussion followed on Deer Creek Ditch water flow and the progress of the Diversion permit.

Friant Power Authority: Manager Geivet discussed the expenses remaining on the new power plant estimating TBID's share to be \$196,875.00 and at the present level in the reserve account the district will be able to include a power credit on the new 2019 water rates for irrigation and M&I.

Status of Authorities; ESPA, DCTRA, FWA, ACWA & AECA: Friant Water Authority's CEO is keeping everyone up to date with emails to all interested parties.

Eastern Tule GSA: Bryce McAteer reporting the draft GSP is coming along. Looking for Harder's report to be ready by April. Interested parties can sign up to get ETGSA emails regarding upcoming meetings.

INVESTMENT POLICY – Review and consider affirming the TBID Guidelines for Local Agency Investments.

Manager Geivet explained the "Guidelines for Local Agency Investments" annual review and adoption. The current policy was reviewed.

M/S/U, Doyel, Galloway, to adopt the "Guidelines for Local Agency Investments" as follows:

TERRA BELLA IRRIGATION DISTRICT
GUIDELINES FOR LOCAL AGENCY INVESTMENTS

I. PURPOSE AND GOALS

This statement is intended to outline the policies for maximizing the efficiency of the District's Cash Management System, for prudent investment of the District's funds, and to provide guidelines for suitable investments.

The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's Cash Management System is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments meet the criteria established for safety and liquidity.

The investment policies and practices of the District are based upon Federal, State and Local law and prudent money management. The primary goals of these policies are:

1. To assure compliance with all Federal, State and Local laws governing the investment of monies under the control of the District's Treasurer or chief financial officer.
2. To protect the principal monies entrusted to this office.
3. To generate the maximum amount of investment income within the parameters of this Statement of Investment Policy and the guidelines for suitable investments.

II. SCOPE

All monies entrusted to the District will be pooled in an actively managed portfolio. The Investment Pool or "Portfolio" will be referred to as the "Fund" throughout the remainder of this document.

III. OBJECTIVES

A. Safety of Principal

Safety of principal is the foremost objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Investments shall be undertaken in a manner which first seeks to ensure the preservation of principal in the Fund. The Treasurer or chief financial officer shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral and shall diversify the portfolio to reduce exposure to loss.

1. Credit Risk

Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the Fund so that the failure of any one issuer would not unduly harm the District's cash flow.

2. Market Risk

The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District's Fund to five years or less. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. Liquidity

Liquidity is the second most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

C. Return on Investment

Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

IV. PROHIBITED INVESTMENTS

Government Code 53601, as amended in 1995 by SB 866, Chapter 784 of the 1995 Statutes, prohibits a local agency from investing in any of the following:

"Inverse floaters, range notes, or interest only strips." Note: These are not defined in the Code.

Securities that could result in zero interest accrual if held to maturity. However, this limitation does not apply to shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1).

V. REPORTING REQUIREMENTS (Government Code Sec. 53646 as amended by SB 564, Chp. 783 of 1995 statutes)

If the District has placed all of its investments in the Local Agency Investment Fund, created by Section 16429.1 through 16429.3 of the Government Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, or any combination of these, the Treasurer or chief fiscal officer will comply with Government Code Section 53646 by supplying to the governing body, chief executive officer and the auditor of the District the most recent statement or statements received by the District. For any other combination of investments, the requirements below apply.

- The report must be given quarterly, within 30 days after quarter end. However, the governing body of the District may elect to require the report specified in Sec. 53646 to be made on a monthly basis instead of quarterly.
- Contents of the report must include type, issuer, maturity date, par and dollar amount invested in all securities, market value weighted average, investments and monies held by the District. This includes any funds, investments or programs, including loans, that are under the management of contracted parties. The report must also state compliance of the Fund with the statement of investment policy, or the manner in which the Fund is not in compliance.
- Include a statement denoting the ability of the District to meet its expenditure requirements for the next six months or an explanation as to why sufficient money will not or may not be available. A subsidiary ledger of investments may be used in accordance with accepted accounting practices.
- The Treasurer or chief financial officer shall report whatever additional information or data may be required by the governing body of the District.

RENTAL HOUSE – Review insurance letter and consider action on the rental house.

Manager Geivet and Superintendent Smith reviewed demolition estimates with the Board, noting cost difference from vendor's MD Concrete Cutting & Demolition \$11,500.00, Bartlett Construction \$8,349.00, and Dan Warren Trucking \$5,200.00. Superintendent Smith informed the Board the asbestos inspection and testing came back negative. Manager Geivet reviewed the ACWA JPIA claim cash out ACV is \$92,373.50 noting after the \$1,000.00 deductible. The Board concurred to authorize the Manager to proceed with demolition of the residential house at 9560 Road 248.

M/S/U Doyel, Martinez to authorize the Manager Geivet to process insurance claim at cash out \$92,373.50 and authorize Manager Geivet and Superintendent Smith to proceed with demolition of the residence not to exceed all in \$11,500.00.

IRRIGATED LANDS REGULATORY PROGRAM – Review potential partnership with the Tule Basin ILRP to use TBID drinking water fill stations.

Manager Geivet discussed with the Board Tule Basin ILRP's need to use TBID's fill stations as a model for other communities in need of drinking water. Draft agreement and more details will be coming.

ELECTRIC MOTOR REPLACEMENT – Review and consider quotes to replace one electrical motor.

Included in the Board packet three motor estimates to replace motor #2 at Station #9. Discussion followed on US motors, foreign motors and estimates from Electric Motor Works \$20,507.27, Electric Motor Shop \$15,596.06 and Turnupseed Electric Service \$22,419.90 which includes the breakdown of the old motor.

M/S/U Doyel, Fowler to accept and approve the proposal from Turnupseed Electric Services for US Motor noting the estimate included breakdown of old motor in the amount of \$22,419.90.

MEETING RECESS

President Wheaton called a meeting recess at 10:30 a.m.

MEETING RECONVENED

President Wheaton called the meeting to order at 10:36 a.m.

2019 DRAFT BUDGET AND WATER RATES – Review and consider adopting the draft budget and water rates for 2019 water year.

The Board took under review and discussion the 2019 draft budget and water rates.

M/S/U, Galloway, Doyel to approve the 2019 TBID Budget as discussed and to set a Public Hearing to review the water rates for April 10, 2019 at 9:00 a.m. at the District office, after which the budget and water rates will be adopted:

	Untreated Domestic & Irrigation	Untreated M&I
Zone 9	\$ 166.18	\$167.39
Zone 1	\$185.24	\$186.45
Zone 6 & 7	\$197.95	\$199.16
Zone 4 & 8	\$230.80	\$232.01
	> 5 Acres	< 5 Acres
WQIP Rates	\$409.90	\$411.11

2019 TEMPORARY 215 WATER CONTRACTS – Consider adopting a resolution authorizing execution of 2019 Contract Year Temporary 215 Water Service Contract No. 18-WC-20-5193 with USBR.

Mr. Geivet explained the need for a Section 215 Temporary Water Service Contract which will allow the District to take Section 215 water if it becomes available.

RESOLUTION NO. 2019-02-13

Upon motion by Director Fowler, seconded by Director Doyel, the following Resolution was passed and adopted:

**RESOLUTION NO. 2019-02-13
AUTHORIZING THE EXECUTION OF A
CONTRACT FOR TEMPORARY WATER SERVICE
FOR SECTION 215 WATER WITH THE
UNITED STATES BUREAU OF RECLAMATION**

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

WHEREAS, the Board of Directors has determined it is in the long term best interest of the District to enter into contracts for temporary water service for Section 215 water with the United States Bureau of Reclamation on an annual basis;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Terra Bella Irrigation District that it approves annually executing a contract for temporary water service for Section 215 water with the United States Bureau of Reclamation as long as the relevant terms remain unchanged;

BE IT FURTHER RESOLVED by the Board of Directors of Terra Bella Irrigation District that Edwin L. Wheaton, President of the Board, is hereby authorized to execute said contracts on behalf of the District.

PASSED AND ADOPTED this 13th day of February 2019 by the following vote:

AYES:	Wheaton, Doyel, Galloway, Fowler, Martinez
NOES:	None
ABSENT:	None
ABSTAIN:	None

I HEREBY CERTIFY that I am the Secretary of Terra Bella Irrigation District and that the foregoing resolution was adopted by the Board of Directors of said District at a meeting held on the 13th day of February, 2019, at which meeting a quorum was present at all times and acting.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the Terra Bella Irrigation District this 13th day of February 2019.

/s/ Ann Nelms
Ann Nelms, Secretary

AGRICULTURAL ENERGY CONSUMERS ASSO. – Consider authorizing dues in the amount of \$1,000.

M/S/U, Fowler, Martinez to authorize the Manager to pay dues to AECA of \$1,000.00 for Districts membership.

Mr. Samarin departed the Boardroom at 11:08 a.m.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION [Government Code Section 54956.9(d)(2)]
Number of Potential Cases: One

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.

Adjourned into closed session at 11:08 a.m.

The Board of Directors met while in closed session pursuant to Government Code Section 54956.9(d)(1) to discuss the above-entitled action. Report Action Taken in Closed Session Required by Government Code Section 54957.1

The Board adjourned from closed session at 11:49 a.m.

There was no reportable action taken during closed session.

ITEMS TO BE DISCUSSED PURSUANT TO GOVERNMENT CODE SECTION 54954.2 (Relating to items not appearing on the agenda)

Nothing to report.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned at 11:50 a.m. by President Wheaton.

Ann Nelms, Secretary