

**February 12, 2020**

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, Galloway

DIRECTORS ABSENT: Martinez

OTHERS PRESENT: Sean Geivet, General Manager  
Albert Smith, District Operations Superintendent  
Ann Nelms, District Secretary-Treasurer  
Brad Samuelson, Water & Land Solution  
Douglas S. Brown, Stradling Yocca Carlson & Rauth  
Jeff Gibbons  
Art Reagan\*

\*Entered the Boardroom at 9:24 a.m.

**AGENDA – CONSIDER CHANGES OR ADDITIONS TO THE AGENDA**

No changes were made to the posted agenda.

The Board agreed to move to Agenda Item Number 6.

**PUBLIC INPUT**

President Wheaton asked for public input.

Customer Mr. Reagan addressed the Board regarding water pressure.

Customer Carol Moreno emailed the Board of Directors regarding late fee reversal and the Board took no action.

**APPROVAL OF MINUTES**

M/S/U, Fowler, Doyel to approve the minutes of the January 8, 2020 regular meeting as mailed.

**AUTHORIZATION TO PAY BILLS** Review and discuss outstanding bills.

M/S/U, Doyel, Fowler 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, Local Agency Investment Fund, Friant Power Authority revenues and expenditure summary worksheet. Delinquent water account report was reviewed.

TBID balance sheet as of December 31, 2019, 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 2020. Mr. Smith report no employee matters and no accidents or injuries for the month. Equipment maintenance and repair included replacement of starter on the forklift, Pump#5 at Station #1 had to be replaced, Tank #8 lost power and communications causing tank over flow; over flow line was replaced, working to get an automatic shut off added. Operations report included update on state inspection, cleaning around the yard and shop, hauling off scrap metal. Weeding and cleaning at station #7, #8, and #3. Greased all pumps and motors at stations #7, #8, and #3.

WTP average flow through the plant is around 600 gpm. Rebuilt the CL17 chlorine analyzer. ERS to add Anthracite to both filters and replace the west filter surface wash.

The total precipitation for January is 0.68 inches. USA locates: 21. Back flow's Tested: 11

Manager Geivet presented his report. Manager Geivet reported low snow pack and anticipating a low release from the Bureau. The Bureau is reviewing the carryover policy with Districts that are trying to carryover more than allowed. At 20% or less we may need to go to water allocations and at which time we will notify customers.

**Friant Power Authority:** None to report.

**Status of Authorities; ESPA, DCTRA, FWA, ACWA & AECA:** FWA noting CEO Jason Phillips is still emailing his report

**Eastern Tule GSA:** Manager Geivet updated the Board on ETGSA rules and regulations progress. The allocations will be made by experts in the field along with the software for tracking and accounting.

**REFINANCE – Review and consider authorizing the execution and delivery of an installment purchase agreement in an amount not to exceed \$3,200,000 to refinance the acquisition of a permanent contractual right to purchase water from the United States of America, Bureau of Reclamation and approving the execution and delivery of certain documents in connection therewith and certain other matters.**

The Board took under review and discussion the consideration to authorize the execution and delivery of an installment purchase agreement in an amount not to exceed \$3,200,000 and authorizing certain actions in connection therewith, the following action was taken:

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

**RESOLUTION NO. 2020-02-01**

RESOLUTION OF THE TERRA BELLA IRRIGATION DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT IN AN AMOUNT NOT TO EXCEED \$3,200,000 TO REFINANCE THE ACQUISITION OF A PERMANENT CONTRACTUAL RIGHT TO PURCHASE WATER FROM THE UNITED STATES OF AMERICA, BUREAU OF RECLAMATION AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

**WHEREAS**, the Terra Bella Irrigation District (the “District”), an irrigation district duly organized and existing under and pursuant to the Constitution and laws of the State of California, previously acquired a permanent contractual right to purchase water from the United States of America, Bureau of Reclamation through that certain Contract Between the United States and Terra Bella Irrigation District Providing for Project Water Service and Facilities Repayment through the execution of an installment purchase agreement (the “2010 Installment Purchase Agreement”) with the Terra Bella Community Enhancement Corporation (the “Corporation”); and

**WHEREAS**, this Board has determined that it is in the best interest of the District to execute and deliver an Installment Purchase Agreement (the “Installment Purchase Agreement”) with the Corporation to refinance the 2010 Installment Purchase Agreement to approve certain documents in connection therewith;

**WHEREAS**, the Corporation will assign certain rights under the Installment Purchase Agreement to Truist Bank;

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Directors of the Terra Bella Irrigation District does hereby resolve as follows:

The Installment Purchase Agreement, in substantially the form presented to this meeting and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President or Vice President of the Board or the designee thereof is hereby authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, as Bond Counsel (“Bond Counsel”), and approved by the officers executing the same, said execution being conclusive evidence of such approval; provided however the Installment Purchase Agreement shall not exceed a principal amount of \$3,200,000.

The District hereby determines that the Installment Purchase Agreement is a qualified tax exempt obligation pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and finds that the reasonably anticipated amount of qualified tax exempt obligations which will be issued by the District and all of its subordinate entities during the 2020 calendar year will not exceed \$10,000,000.

The President or Vice President of the Board or the General Manager or the designee thereof and any other proper officer of the District, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to refinance the 2010 Installment Purchase Agreement and to carry out the transactions contemplated by this resolution.

The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit A to this resolution and are available to the public at the meeting at which this resolution is approved.

The engagement letter between the District and Bond Counsel (the “Engagement Letter”) is hereby approved. The General Manager is authorized and directed for and on behalf of the District to execute and deliver the Engagement Letter.

Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

This resolution shall take effect immediately.

ADOPTED: February 12, 2020 upon motion of Director Fowler, seconded by Director Galloway and passed by the following vote:

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

**ABSTAINS:**        *None*

CERTIFICATE OF SECRETARY

I do hereby certify that I am the Secretary of the Terra Bella Irrigation District, an irrigation district organized and existing under the laws of the State of California, and that the foregoing Resolution was duly adopted by the Board of Directors of said District at a meeting thereof duly and regularly held at the office of the said District at 24790 Avenue 95, Terra Bella, California 93270-9695 on the 12<sup>th</sup> day of February, 2020, at which meeting a quorum of said Board of Directors was at all times present and acting, and

that said Resolution has not been rescinded or amended in whole or any part thereof, and remains in force and effect.

/s/ Ann Nelms  
Secretary  
Terra Bella Irrigation District

Exhibit A

Good Faith Estimates

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the "Code"). The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.

- (a) The true interest cost of the installment agreement is estimated at 2.03%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the installment agreement, including all fees and charges paid to third parties, is estimated at \$75,000.
- (c) Proceeds of the installment agreement expected to be received by the District for the sale of the installment agreement, plus the release of the reserve fund in the amount of \$404,520, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the installment agreement (if any) is equal to \$3,414,589.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$3,369,820.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

**MEETING ADJOURNED**

President Wheaton called the TBID Board meeting Adjourned at 9:14 a.m.

**MEETING RECONVENED**

President Wheaton called the TBID Board meeting back into order at 9:16 a.m.

Board returned to Agenda Item 2 and Douglas Brown departed the boardroom at 9:18 a.m.

**ACCESS AGREEMENT – Consider executing a Groundwater Well Monitoring & Sampling Access Agreement with Homer LLC.**

The Board took under discussion and review granting a Homer LLC access to Terra Bella Irrigation District owned property for the purpose of monitoring and sampling groundwater wells.

M/S/C, Doyel, Galloway to authorize Manager Geivet to sign access agreement with Homer LLC.

**URF AGREEMENT – Review and consider executing a Sales Agreement between USBR and TBID for the Sale of Unreleased Restoration Flows.**

Board discussed the Bureau contracts for 2020 for Unreleased Restorations Flows for the new water year. Upon motion by Director Doyel, seconded by Director Galloway, the following Resolution was passed and adopted:

**BEFORE THE BOARD OF DIRECTORS  
OF THE  
TERRA BELLA IRRIGATION DISTRICT**

**IN THE MATTER OF:**

**RESOLUTION NO. 2020-02-02**

**AUTHORIZING EXECUTION OF CONTRACT(S)  
FOR PURCHASE OR EXCHANGE OF UNRELEASED RESTORATION FLOWS  
BETWEEN UNITED STATES AND TERRA BELLA IRRIGATION DISTRICT**

**WHEREAS**, pursuant to the Stipulation of Settlement in *Natural Resources Defense Council, et. al., v. Kirk Rodgers, et. al.*, hereinafter referred to as Settlement, and the SJRRSA, the Secretary of the Interior, acting through the Bureau of Reclamation, hereinafter referred to as Contracting Officer, is directed to implement a program that releases Restoration Flows from Friant Dam; and

**WHEREAS**, consistent with Paragraph 13(i) of the Settlement, if, for any reason, full Restoration Flows are not released in any year beginning January 1, 2014, the Contracting Officer shall release as much of the Restoration Flows as possible, in consultation with the Restoration Administrator, in light of then-existing channel capacity and without delaying completion of the Phase 1 improvements; and

**WHEREAS**, the Contracting Officer, in consultation with the Restoration Administrator, shall use the amount of the Restoration Flows not released in any such year, hereinafter referred to as Unreleased Restoration Flows or URFs, by taking one or more of the steps prescribed in Paragraph 13(i) of the Settlement to best achieve the Restoration Goal, as determined by the Contracting Officer; and

**WHEREAS**, the District and the United States have entered into Contract No. I75r-2446D, hereinafter referred to as Contract, for the delivery of Project Water; and

**WHEREAS**, the Contracting Officer has determined that it shall make available for delivery to the District URF's, as Project Water, pursuant to Article 3(f) of the Contract; and

**WHEREAS**, the Board of Directors has determined that it is the best interests of the District and its landowners that the District purchase, and/or exchange and ensure delivery of all water available to the District pursuant to the terms of that certain URF contract(s).

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors as follows:

1. The foregoing recitals are true and correct.
2. The President and Secretary are authorized to execute that certain URF contract(s) on behalf of the District for Water Year 2020 from March 1, 2020 through February 28, 2021 subject to review by District Counsel.

**ALL THE FOREGOING**, being on motion of Director Doyle and seconded by Director Galloway, was authorized by the following vote:

<b>AYES:</b>	Wheaton, Fowler, Doyel, Galloway
<b>NOES:</b>	None
<b>ABSENT:</b>	Martinez
<b>ABSTAIN:</b>	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 12<sup>th</sup> day of February, 2020, at which meeting a quorum was present at all times and acting.

**IN WITNESS WHEREOF**, I have set my hand and the seal of said District on this 12<sup>th</sup> day of February, 2020.

/s/ Ann Nelms  
Ann Nelms, Secretary

**CCR – Consider authorizing Keller and Wegley Engineers to complete the 2019 Consumer Confidence Report.**

M/S/C, Doyel, Galloway to authorize Keller/Wegley Engineering to complete the TBID 2019 Annual Water Quality Report as required, and to participate in the Title 22 water testing program for 2020.

**Agricultural Energy Consumers Association – Consider authorizing payment of the annual dues in the amount of \$1,000 to AECA.**

M/S/C, Doyel, Galloway to approve membership in the Agricultural Energy Consumers Association and to authorize payment of the annual dues in the amount of \$1,000.00.

**COLLECTORS DEED – Consider accepting the real property conveyed by the Collectors Deed dated December 30, 2019**

The Board took under consideration the Collectors Deed filing on APN 320-352-013 for delinquent standby charges on the property.

M/S/C, Wheaton, Doyel to accept the certificate of Collector Deed on the real property at APN 320-352-013 dated December 30, 2019.

**WATER WHEELING – Consider revising the TBID Water Wheeling Policy.**

The Board took under consideration and adopted the revised policy on Wheeling Water as recommended by the General Manager and District's legal counsel.

Upon motion by Director Galloway, seconded by Director Doyel, to adopted the Revised Policy on Wheeling Water as written for Terra Bella Irrigation District.

*Ayes: Wheaton, Fowler, Doyel, Galloway,*  
*Noes: None*  
*Absent: Martinez*  
*Abstain: None*

**TERRA BELLA IRRIGATION DISTRICT  
POLICY ON WHEELING WATER  
ADOPTED FEBRUARY 12, 2020**

Subject to the General Manager's determination of available system capacity, TBID will offer wheeling services.

“Wheeling services” shall mean the use of TBID’s facilities by a bona fide transferor as defined in California Water Code Section 1810, *et al.*, to transport water not owned or controlled by TBID.

At the request of a bona fide transferor to use TBID’s facilities, the General Manager shall determine the amount and availability of unused capacity, if any should exist. The determination of whether there is unused capacity in TBID’s conveyance system, shall be made by the General Manager on a case-by-case basis in response to particular requests for wheeling. Any person or public agency with the right to receive water from TBID shall have the right to use any unused capacity prior to any bona fide transferor. Any person or public agency with the right to receive water from TBID who has an emergency need as defined in Water Code Section 1810, *et al.* may utilize the unused capacity that was made available to the bona fide transferor for the duration of the emergency. Available capacity shall be shared equally amongst all bona fide transferors which shall be determined at the discretion of the General Manager.

TBID shall in a timely manner determine the terms and conditions of the agreement to wheel water, including operation and maintenance requirements and scheduling, quality requirements, term or use, priorities and fair compensation. After receipt of a request from a bona fide transferor, and upon determination by the General Manager that unused capacity exists, the board shall hold a public hearing to determine whether there are potential impacts to water quality, legal water users, or other potential impacts from the transfer. The public hearing shall be held upon forty-five (45) days’ notice. Written comments may be received up to thirty (30) days prior to the hearing. Notice shall be provided pursuant to all applicable laws and shall be made available to those who specifically request such notice.

TBID shall deny the use of its facilities if it is determined the commingling of transferred water shall result in a diminution of the beneficial uses or quality of the water in the facility. TBID shall deny the use of its facilities if any evidence is provided which indicates injury to any legal user of water or any unreasonable affects on fish, wildlife, or other instream beneficial uses, or the unreasonable affects of the overall economy or the environment of the county from which the water is being transferred.

TBID shall establish the compensation required for the use of its facilities at the time of the request, provided available capacity had been determined. Such compensation shall include costs for reasonable charges incurred by TBID, including capital, operation, maintenance, replacement costs, increased costs from any necessitated purchase of supplemental power, administration, and including reasonable credit for any offsetting benefits for the use of the conveyance system. Compensation shall be received by the District prior to any conveyance of water.

#### **MEETING RECESS**

President Wheaton called a meeting recess at 10:11 a.m.

#### **MEETING RECONVENED**

President Wheaton called the meeting to order at 10:16 a.m.

#### **SETTON WHEELING AGREEMENT – Consider executing a Wheeling Agreement with Setton Pistachio.**

Item tabled until next meeting. The Board will review the draft version of TBID’s Well Connection and Water Wheeling Agreement.

#### **1917 DEER CREEK JUDGEMENT & DECREE – Consider acknowledging and confirming the 1917 Judgement and Decree on Deer Creek.**

The Board reviewed the 1917 Deer Creek Judgement and Decree included in the Board packet. Manager Geivet is recommending to the Board that TBID acknowledge this judgement and decree. Discussion followed and with no Board action taken.

#### **2020 BUDGET & WATER RATES – Review and consider releasing the draft budget and water rates for a 45 day public review period.**

The Board took under review and discussion the 2020 draft budget and water rates.

M/S/C, Galloway, Doyel to approve the 2020 TBID Budget as discussed; to approve the 2020 TBID Water Rates as follows; and to set a Public Hearing to review the water rates for April 8, 2020 at 9:00 a.m. at the District office, after which the budget and water rates will be adopted:

	<u>Untreated Domestic &amp; Irrigation</u>	<u>Untreated M&amp;I</u>
Zone 9	\$152.83	\$157.87
Zone 1	\$171.17	\$176.21
Zone 6 & 7	\$183.75	\$188.79
Zone 4 & 8	\$214.20	\$219.24
	<u>&gt; 5 Acres</u>	<u>&lt; 5 Acres</u>
WQIP Rates	\$378.17	\$383.21

(A copy of the 2020 Budget as approved is incorporated in the minutes by reference and is on file in the office of the District.)

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

No closed session was required.

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

None to report.

**ADJOURNMENT**

There being no further business before the Board of Directors, the meeting was adjourned at 11:36 a.m. by President Wheaton.

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Ann Nelms, Secretary