

March 11, 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 9:05 a.m.

ATTENDANCE

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

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Geivet, General Manager
Albert Smith, District Operations Superintendent
Ann Nelms, District Secretary-Treasurer
Aubrey Mauritson, Legal Counsel
Brad Samuelson
Alan Becker
Roger Everett *

*Entered the Boardroom at 9:12 a.m.

AGENDA – CONSIDER CHANGES OR ADDITIONS TO THE AGENDA

No changes were made to the posted agenda.

PUBLIC INPUT

President Wheaton asked for public input. Mr. Samuelson suggested a longer wheeling policy agreement of 5 to 10 years instead of an annual wheeling policy agreement.

APPROVAL OF MINUTES

M/S/U, Fowler, Doyel to approve the minutes of the February 12, 2020 regular meeting as mailed.

The Board agreed to move to Agenda Item Number 7.

Brad Samuelson, Alan Becker, and Roger Everett departed from the Board room at 9:15 a.m.

Adjourned into closed session at 9:15 a.m.

The Board adjourned from closed session at 9:56 a.m.

President Wheaton reconvened the regular meeting at 9:56 a.m.

Brad Samuelson, Alan Becker, and Roger Everett re-entered the Board room at 9:56 a.m.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION [Government Code Section 54956.9] (1 case)

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

There was no reportable action taken during closed session.

WATER WHEELING – Consider revising the TBID Water Wheeling Policy.

Upon reconvening to the regular meeting, 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 Martinez, to adopted the Revised Policy on Wheeling Water with the recommended changes for Terra Bella Irrigation District.

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

**TERRA BELLA IRRIGATION DISTRICT
POLICY ON WHEELING WATER
ADOPTED MARCH 11, 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 twenty-five (25) days’ written notice. Written comments may be received up to Five (5) 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 effects on fish, wildlife, or other instream beneficial uses, or the unreasonable effects 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.

CONNECTION & WHEELING AGREEMENT – Review and consider adopting a form of a Connection Agreement and a form of a Wheeling Agreement.

The Board took under consideration and adopted the templates for Connection Agreement form & Wheeling Agreement form as templates as recommended by the General Manager and District’s legal counsel.

Upon motion by Director Doyel, seconded by Director Galloway, to adopted the Connection Agreement form & Wheeling Agreement form as templates recommended for Terra Bella Irrigation District.

Ayes: Wheaton, Doyel, Galloway, Martinez

Noes: None

Absent: None

Abstain: Fowler

SETTON CONNECTION & WHEELING AGREEMENT – Review and consider executing a Connection Agreement and a Wheeling Agreement with Setton Pistachio and start the public review period.

The Board took under review and considered executing a **Connection Agreement** with Setton Pistachio/Deer Creek Water Company.

Upon motion by Director Galloway, seconded by Director Martinez, to approve the Connection Agreement with Setton Pistachio/Deer Creek Water Company

Ayes: Doyel, Galloway, Martinez

Noes: None

Absent: None

Abstain: Fowler, Wheaton

The Board took under review and consider executing the Public notice application process for the **Water Wheeling Agreement** with Setton Pistachio/Deer Creek Water Company.

Upon motion by Director Galloway, seconded by Director Doyel, to approve executing the Public notice for the Water Wheeling Agreement with Setton Pistachio/Deer Creek Water Company as need in the application process.

Ayes: Doyel, Galloway, Martinez

Noes: None

Absent: None

Abstain: Fowler, Wheaton

TERRA BELLA IRRIGATION DISTRICT Notice of Public Hearing—Deer Creek Water Company Request to Wheel Water. NOTICE IS HEREBY GIVEN that, pursuant to Water Code Section 1810, et seq., Terra Bella Irrigation District will hold a public hearing during a regular board meeting on April 8, 2020, at Terra Bella Irrigation District 24790 Ave 95, Terra Bella, CA 93270, to determine whether to approve a Wheeling Agreement

allowing the ability of Deer Creek Water Company to wheel a certain amount of water through Terra Bella Irrigation District's facilities. Written comments may be submitted to the District, Attn: Sean P. Geivet, General Manager, no later than 5:00 p.m. on April 3, 2020, to 24790 Ave 95, Terra Bella, CA 93270. During the hearing, the District will allow oral comments prior to making a decision. The Chairman may limit oral comments to a reasonable length. Dated: March 11, 2020.

Board returned to Agenda Item 4 and Brad Samuelson departed from the Board room at 10:04 a.m.

AUTHORIZATION TO PAY BILLS Review and discuss outstanding bills.

M/S/U, Galloway, Doyel 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 January 31, 2020, 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 February 2020. Mr. Smith reported no employee matters and no accidents or injuries for the month. Equipment maintenance and repair included repacking Pump#2 at Station #9, changed oil in all pump motors at all stations. Operations report included cleaning up around the yard and shop, hauling off scrap metal. Weeding and cleaning at station #1, #4, and #9. Greased all pumps and motors at stations #1, #4, and #9.

WTP average flow through the plant is around 600 gpm. Changed out the light bulb on the raw water turbidity meter.

The total precipitation is 1.05 inches YTD. USA locates: 12. Back flow's Tested: 14

Manager Geivet presented his report. Manager Geivet reported the Bureau released a 20% allocation for Class 1. Class 1 allocation results in 5,800 acre feet to TBID. 2019 carryover is at 2,337 acre feet, and the balance from Lower Tule River Irrigation District. The Board recommended to reserve all of the 12,000 acre feet currently available from LTRID to make up TBID's 2020-2021 water supply. Discussion followed on conservation practices. With conservation practices we may not have to allocate. Discussed the Bureau impact on Class 2 Districts.

Manager Geivet included in the Board packet for the Board's information a letter from California Regional Water Quality Control Board reporting no outstanding deadlines for TBID.

Friant Power Authority: Reported that QLPP offline repairs have not been completed.

MEETING RECESS

President Wheaton called a meeting recess at 10:32 a.m.

MEETING RECONVENED

President Wheaton called the meeting to order at 10:37 a.m.

Status of Authorities; ESPA, DCTRA, FWA, ACWA & AECA: FWA membership discussed and O&M financing.

Eastern Tule GSA: Manager Geivet updated the Board on ETGSA accounting system progress.

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

Mr. Geivet explained the Board is required to annually adopt "Guidelines for Local Agency Investments". The current policy was reviewed.

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

TERRA BELLA IRRIGATION DISTRICT
GUIDELINES FOR LOCAL AGENCY INVESTMENTS
ADOPTED MARCH 11, 2020

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.

Alan Becker, and Roger Everett departed from the Board room at 11:08 a.m.

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

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 11:29 a.m.

President Wheaton reconvened the regular meeting at 11:29 a.m. and stated 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)

None to report.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned at 11:29 a.m. by President Wheaton.

Ann Nelms, Secretary