

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, January 9, 2008. The Meeting was called to order at 11:38 AM, with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David A. Brown Arlen D. Miller Russell Katayama
Officers:	Robert T. Ramirez, Controller / Treasurer And Interim Secretary
Others:	John Sanders, Field Operations Supervisor James C. Chandler, Consulting Engineer

President Bailey asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board meeting of December 12, 2007, and the Special Board meeting of December 21, 2007. Director Miller offered a motion to approve both sets of minutes as prepared. The motion was seconded by Director Katayama and unanimously approved by the Board.

Bills totaling \$256,689.27 were then discussed. After discussion, Director Miller offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Report, Controller Ramirez reported on the financial standing of the District and activities of the accounting department. President Bailey reported on the activities of the Friant Waterusers & Friant Water Authorities. Field Operations Supervisor Sanders provided a report on the recent activities of the operations department and upcoming winter maintenance projects.

Under OCID Rules and Regulations, A final draft of the District's Rules and Regulations were discussed. After discussion, Director Collin offered a motion to approve the District's Rules and Regulations for water deliveries as presented. The motion was seconded by Director Katayama and unanimously approved by the Board.

Under Water Rates, staff presented the proposed water rates for 2008 water deliveries, noting a \$10 per acre foot increase from the prior year. Water rates of \$66 to \$80 per acre foot of class 1 ag water, \$88 to \$95 per a/f for full cost ag water, and \$76 to \$90 per a/f for M&I water were recommended by staff. The Board then recessed for a Public Hearing.

At 11:59 am, the Board conducted a Public Hearing to discuss water rate increases noticed in a letter to all landowners dated November 21, 2007. No one from the public appeared before the Board to present objections to the proposed water rate increases. Since there were no objections to the proposed rate increases of up to \$10 per acre foot, Director Katayama offered a motion to approve the water rates as presented. The motion was seconded by

Director Miller and unanimously approved by the Board.

The Board returned to regular session at 12:11 pm.

Under Water Transfer Agreements, Consultant Chandler reported that he was in the process of negotiating a proposed transfer of 5,000 acre feet of OCID's 2007 carryover water. A draft agreement will be presented at the next board meeting.

Under Landowner's request to appeal a USBR administrative fee, Mr. Robert LoBue appeared before the board to discuss his appeal of a fee assessed by the USBR for failing to file RRA forms prior to receiving reclamation water in 2003. Mr. LoBue claimed he did not use water before filing his RRA forms. Unfortunately for Mr. LoBue, the District was not able to provide records to substantiate his claim. The Board wished him luck with his appeal to the USBR

Under electrical power, a discussion was held regarding a settlement agreement with the Friant Power Authority pertaining to FERC license P-11068 and state water rights. Engineer Consultant Chandler reported on his concerns over the 30 cfs water right being transferred to the FPA. After discussion, the Board directed Mr. Chandler to discuss the issue at the FPA advisory committee meeting scheduled for January 22, 2008. Mr. Chandler stated he would provide an update to the Board at the next Board meeting. Mr. Sanders then reported on an e-mail received from Attorney Jeff Meith regarding the Tri Party agreement for maintenance responsibilities regarding planned Friant Road Improvements. After discussion, the Board directed staff to meet with Fresno County and Fish & Game officials for further discussions regarding maintenance of the tailrace pipeline.

Under Refinancing of 1996 Certificates of Participation, the Board reviewed financial proposals from Mr. Michael Engelbrecht, Senior Vice President for Wells Fargo Institutional Securities regarding the refunding of the 1996 COP's. Staff was directed to analyze all proposals and report back to the Board at the next meeting

Under detachment and annexation issues, staff reported to the Board that the Bureau of Reclamation had approved the inclusion of 359.69 acres pursuant to Reorganization 2003-5 and 2005-1. The Board then directed staff to invoice the annexation costs to the landowners of these properties.

Under Long-term water management plan, a consensus of the Board was to suspend any long-term water management plans until a new District Manager was hired.

Under District Manager Transition, President Bailey reported that the candidate for the position of engineer-manager interviewed on December 21 had withdrawn his name from consideration. Director Collin suggested that Nancy Erwin with Baker, Peterson & Franklin be engaged to search for an engineer-manager. After discussion, President Bailey stated he would contact Ms. Erwin to begin the search for an engineer-manager.

With no further business to discuss, the meeting was adjourned at 2:53 PM.

Harvey A. Bailey, President

Robert T. Ramirez, Interim Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, February 13, 2008. The Meeting was called to order at 11:38 AM, with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David A. Brown Arlen D. Miller Russell Katayama
Officers:	Robert T. Ramirez, Controller / Treasurer And Interim Secretary
Others:	John Sanders, Field Operations Supervisor James C. Chandler, Consulting Engineer Gary Sawyers, Counsel (by phone) Michael Engelbretch

President Bailey asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board meeting of January 9, 2008. Director Collin offered a motion to approve the minutes as prepared. The motion was seconded by Director Brown and unanimously approved by the Board.

Bills totaling \$383,282.77 were then discussed. After discussion, Director Miller offered a motion to approve the bills. The motion was seconded by Director Katayama and unanimously approved by the Board.

Under the Monthly Report, Controller Ramirez reported on the financial standing of the District and activities of the accounting department. President Bailey reported on the activities of the Friant Waterusers & Friant Water Authorities. Field Operations Supervisor Sanders provided a report on the recent activities of the operations department.

Under Water Transfer Agreement with SLWD, Consultant Chandler reviewed the draft water transfer proposal to transfer up to 5,000 acre feet of the District's water supply to San Luis Water District. After discussion, Director Brown offered a motion to proceed in finalizing an agreement to transfer an amount not to exceed 5,000 acre feet to SLWD. The motion was seconded by Director Collin and unanimously approved by the Board. A consent waiver for legal representation by the Law firm of Sawyers & Holland was then discussed. Said Law firm disclosed potential conflicting interests arising from prior legal relationships with both SLWD and OCID. After discussion, Director Brown offered a motion to approve consent to the waiver giving approval to legal representation regarding this matter. The motion was seconded by Director Katayama and unanimously approved by the Board.

Under Water Transfer Agreement with TVWD, Controller Ramirez reported on TVWD's request to carryover 35 acre feet of water previously transferred. After discussion, Director Katayama offered a motion to approve the carryover of 35 acre feet conditioned

on TVWD paying the carryover water costs. The motion was seconded by Director Brown and unanimously approved by the Board.

Under electrical power, Gary Sawyers reviewed a draft of the proposed co-licensee agreement between the Friant Power Authority and OCID regarding ownership, development, and operation of FERC license No. p-11068. After discussion, Director Brown offered a motion to approve the co-licensee agreement as presented. The motion was seconded by Director Miller and unanimously approved.

Under Refinancing of 1996 Certificates of Participation, Michael Engelbrecht, Senior Vice President for Wells Fargo Institutional Securities discussed a preliminary financing schedule. Mr. Engelbrecht also reported that Jeff Stava, Bond Counsel, made a preliminary determination that standby charges fall within the Prop 218 exemption. The Board directed staff to provide Mr. Stava information required for the Preliminary Official Statement, and to report progress to the Board at the next meeting.

Landowner's, Jesus & Maria Carrillo and Gary & Alicia Spates, did not appear before the Board to request detachment. No action was taken.

Under State Water Resources Control Board Water Rights Fees, Controller Ramirez reported that the District received notification that the SWRCB denied the petitions for reconsideration of fiscal year 2007 – 2008 water rights fees. An appeal of this ruling is in process.

Under Mill Creek water rights, President Bailey reported that the USBR may be interested in acquiring OCID's Mill Creek water rights. After discussion, the Board engaged Consultant Chandler to prepare a report outlining a process with options for the Board to consider at the next Board Meeting.

Under Capital expenditures, field operations supervisor Sanders submitted a proposal to remove the existing SCADA radio tower and replace it with a new free standing self supporting tower. The new tower is to be relocated to the west end of the parking covered area. Director Miller suggested soliciting a partnership with other entities interested in cost sharing on the project. After discussion; Director Katayama offered a motion to approve the acquisition of new radio tower at a cost not to exceed \$9,000. The motion was seconded by Director Brown and unanimously approved by the Board.

Under surplus equipment, a 1980 case 350B dozer, a 1970 International Tractor, a 1985 Zieman Trailer, a sand conveyor, a pump trailer, and surplus pipe & fittings were considered for declaration as surplus equipment. After discussion, Director Collin offered a motion to declare the aforementioned equipment as surplus. The motion was seconded by Director Miller and unanimously approved by the Board.

The Board then discussed a request by the Orange Cove Lions Club for permission to set a storage van on the District's property. The van would be used to store the Club's fair booth materials when not in use. Director Collin offered a motion to permit the Club to leave their storage van on OCID's yard, providing the Lions Club would list OCID as an additional insured on their liability insurance policy, and permission could be terminated with a seven day notice to vacate. The motion was seconded by Director Katayama and unanimously approved by the Board.

Under FWUA issues, President Bailey reported that a FWUA Ad Hoc Governance committee was formed with Carl Janzen (Madera Irrigation District) appointed chairman.

The committee was formed to review the JPA of the Friant Water Authority and the FWUA By Laws.

At 2:40 PM, the Board met in closed session to discuss the District Manager Transition. The Board returned to open session at 2: 52 PM and announced the following reportable action. President Bailey reported that the Board approved a special compensation adjustment to Acting Manager Ramirez of \$5,000, net of payroll taxes.

With no further business to discuss, the meeting was adjourned at 2:53 PM.

Harvey A. Bailey, President

Robert T. Ramirez, Interim Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, March 12, 2008. The Meeting was called to order at 11:35 AM, with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President David A. Brown Arlen D. Miller Russell Katayama
Officers:	Robert T. Ramirez, Controller / Treasurer And Interim Secretary
Others:	John Sanders, Field Operations Supervisor James C. Chandler, Consulting Engineer Mike Sexton, Counsel (by phone) Henry A. Collin, III, Vice President (by phone)

President Bailey asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board meeting of February 13, 2008. Director Brown offered a motion to approve the minutes as prepared. The motion was seconded by Director Katayama and unanimously approved by the Board.

Bills totaling \$263,592.37 were then discussed. After discussion, Director Katayama offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Report, Controller Ramirez reported on the financial standing of the District and activities of the accounting department. Field Operations Supervisor Sanders provided a report on the recent activities of the operations department. President Bailey reported on the activities of the Friant Waterusers & Friant Water Authorities.

At 12:14 PM, the Board met in closed session to discuss Mill Creek water rights property negotiations, employee performance, and to confer with Counsel on a proposed stipulation of settlement and its implementing legislation. Director Collin called in for this closed session. At 1:00 PM the Board returned to regular session and announced that discussion regarding the settlement and related legislation would continue at 3:00 PM. There was no reportable action regarding the Mill Creek water rights negotiations or personnel performance discussions.

Efrain and Celerina Mercado did not appear before the Board to request detachment. No action was taken.

Under Water Transfer Agreement with SLWD, Consultant Chandler reviewed the changes to the draft water transfer proposal to transfer up to 5,000 acre feet of the District's water supply to San Luis Water District with the Board. After discussion, Director Katayama offered a motion to approve the water transfer agreement with SLWD. The motion was seconded by Director Miller and unanimously approved by the Board.

Under electrical power, Controller Ramirez reported that the Friant Power Authority Board had approved the Co-Licensee Agreement between the FPA and OCID at its Board meeting on February 26, 2008. Controller Ramirez then presented the final draft of the Joint Application for Approval of Partial Transfer of License from OCID to the Friant Power Authority. After discussion, Director Brown offered a motion to approve the Joint Application as presented. The motion was seconded by Director Katayama and unanimously approved by the Board.

Under Refinancing of 1996 Certificates of Participation, Controller Ramirez reported on the progress regarding the refinancing process. A draft of a preliminary official statement was presented for review. Controller Ramirez then reported that financial statements and a ten year projection were being prepared for submittal to Wells Fargo Institutional Securities. The Board directed staff to continue providing Wells Fargo any information required for the completion of the Preliminary Official Statement, and to report progress to the Board at the next meeting.

A discussion was held to ratify the sale of the following surplus equipment: a 1980 case 350B dozer for \$6,000, a 1970 International Tractor for \$800, a 1985 Ziemann Trailer for \$2,500, and a sand conveyor for \$550. After discussion, Director Brown offered a motion to approve the sales. The motion was seconded by Director Katayama and unanimously approved by the Board.

Under District Manager transition, President Bailey reported that Nancy Erwin had compiled a short list of five candidates for the position of engineer-manager. After discussion, the Board agreed to interview these candidates on Friday, March 21, 2008.

At 3:00 PM, the Board returned to closed session to continue discussion, with counsel, regarding the stipulation of a settlement and implementing legislation. The Board returned to regular session at 3:25 PM and reported that it approved resolution 2008-1, a Stipulation of Settlement.

With no further business to discuss, the meeting was adjourned at 3:27 PM.

Harvey A. Bailey, President

Robert T. Ramirez, Interim Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, March 21, 2008. The Meeting was called to order at 8:09 AM, with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice-President David A. Brown Arlen D. Miller Russell Katayama
Officers:	Robert T. Ramirez, Controller / Treasurer And Interim Secretary
Others:	Nancy Erwin, Human Resources Consultant Gary Sawyers, Legal Counsel (by phone) John Roldan, Engineer-Consultant (by phone) James Chandler, Engineer Consultant (by phone)

President Bailey asked if there were any changes to the agenda. Controller Ramirez informed the Board that after the meeting notice was posted, two irrigation districts inquired if OCID would have any water available to transfer. President Bailey ordered the agenda to be revised with the addition of item number 6: Water Transfers.

Under Water Transfers, Controller Ramirez reported that the Madera Irrigation District and the Chowchilla Water District were each in need of 2,000 acre feet of AG water. After discussion, the Board instructed staff to prepare an analysis of our current water supply and report back at the next regular Board meeting.

At 8:30 AM, the Board met in closed session to interview candidates for the District Manager position. The Board returned to open session at 11:20 AM and announced that no reportable action had been taken.

At 12:15 PM, the Board returned to closed session to discuss Mill Creek water rights real property negotiations with counsel. At 1:05 PM, the Board proceeded to continue to interview candidates for the District Manager position. The Board returned to open session at 5:28 PM and announced no reportable actions regarding Mill Creek or regarding the interviews for District Manager.

With no further business to discuss, the meeting was adjourned at 5:35 PM.

Harvey A. Bailey, President

Robert T. Ramirez, Interim Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Friday, April 4, 2008. The Meeting was called to order at 1:05 PM, with the following Directors and Officers present:

- Directors:

Harvey A. Bailey, President
Henry A. Collin, III, Vice-President
David A. Brown
Arlen D. Miller
Russell Katayama
- Officers:

Robert T. Ramirez, Controller / Treasurer
And Interim Secretary
- Others:

None

President Bailey asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

At 1:10 PM, the Board met in closed session to discuss the selection process and a compensation package for the position of General Manager.

The Board returned to open session at 2:20 PM and announced that an employment offer would be extended to Fergus Morrissey. The Board approved a starting salary of \$80,000 per annum, with an additional \$500 per month vehicle allowance, and vacation to accrue at 10 hours per month. A performance review will be conducted after six months of employment. All other benefits are defined in the OCID Employee Handbook. The offer of employment is contingent upon satisfactory passing of a pre-employment medical examination and drug & alcohol drug screening.

With no further business to discuss, the meeting was adjourned at 2:35 PM.

Harvey A. Bailey, President

Robert T. Ramirez, Interim Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, April 9, 2008. The Meeting was called to order at 11:40 AM, with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David A. Brown Arlen D. Miller Russell Katayama
Officers:	Robert T. Ramirez, Controller / Treasurer And Interim Secretary
Others:	John Sanders, Field Operations Supervisor James C. Chandler, Consulting Engineer Fergus Morrissey, Friant Waterusers Authority Mark Amorino, Mosquito Abatement District Steve Mulligan, Mosquito Abatement District

President Bailey asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board meeting of March 12, 2008, and the special Board Meeting of March 21, 2008. Director Brown offered a motion to approve both sets of minutes as prepared. The motion was seconded by Director Miller and unanimously approved by the Board.

Bills totaling \$378,150.24 were then discussed. Director Katayama questioned legal expenses invoiced by the Minasian Law firm, particularly line items referencing conference calls with other Friant District managers. After review, the Board directed staff to contact the law firm to question the method of cost sharing telephone conference charges. The Board assented to share costs on telephone conference calls only when a majority of the District Managers are participants. After discussion, Director Miller offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

Under the Monthly Report, Controller Ramirez reported on the financial standing of the District and activities of the accounting department. Field Operations Supervisor Sanders provided a report on the recent activities of the operations department. President Bailey reported on the activities of the Friant Waterusers & Friant Water Authorities.

Under Water Management, Controller Ramirez reported that the USBR had not changed its 100% class one allocation. Also reported was that OCID water users reserved 32,960 acre feet for 2008.

Under electrical power, Controller Ramirez reported that the Friant Power Authority Board had appointed Carl Janzen as an ACWA JPIA Director at its Board meeting on March 25, 2008. Controller Ramirez then reported that OCID had finished compliance with recital 6 of the "Resolution of Dispute and Transfer of Assets Agreement" and was entitled to receive \$17,857 from the other seven member Districts of the FPA. After discussion, Director Brown directed staff to request payment from the obligated parties pursuant to the agreement.

Under Refinancing of 1996 Certificates of Participation, Controller Ramirez reported on the progress regarding the refinancing process. A draft of a preliminary official statement was presented for review. Controller Ramirez then reported that market conditions were such that it was not feasible to refund at this time. The Board directed staff to continue updating Wells Fargo with any information essential for the preparation of a Preliminary Official Statement required for any potential refunding.

Under requests for penalty waivers, the Board reviewed two requests to waive penalties for applications for water. Controller Ramirez reported that the applications were received and dated after the deadline of February 20, 2008. The Rules and Regulations for water deliveries state that water applications must be received, or postmarked, by February 20, to avoid penalties. After discussion, the requests from Mr. Mike Griffen and Mr. Jose Guzman were denied.

Under 5 Year Capital Project Budget- The Board discussed the following capital projects: a backhoe parking cove, a carport expansion, a SCADA tower, and two laptop computers for field operations. After discussion, Director Brown offered a motion to not exceed \$20,000 for these capital expenditures. The motion was seconded by Director Katayama and unanimously approved by the Board.

The Board then reviewed the District's Investment Policy. After discussion, Director Collin offered a motion to affirm the District's investment policy. The motion was seconded by Director Miller and unanimously approved by the Board.

Mr. Steve Bradley then appeared before the Board to discuss the status of his request for detachment of twenty acres from the District. Mr. Bradley was advised that progress was stalled by the surveying process. Mr. Bradley was not pleased with this status report and proceeded to request to have all his property detached from the District. The Board assured Mr. Bradley it would attempt to accommodate his request if it conformed to the District's Detachment Policy. After discussion, the Board directed Consultant Chandler to examine Mr. Bradley's new request for detachment, the status of his previous request, and the District's Detachment Policy. The Board requested that Consultant Chandler report his findings at the next Board Meeting.

Mr. Mark Amorino and Mr. Steve Mulligan with the Consolidated Mosquito Abatement District appeared before the Board to discuss their interest and involvement with the City of Orange Cove's Waste Water Treatment Facility. The representatives thanked the Board for the opportunity to explain their position that an agreement for the use of tertiary recycled water by OCID growers could benefit OCID growers while providing a public health benefit. The Board thanked Mr. Amorino and Mr. Mulligan for their perspectives and informed them that OCID was waiting for the City to respond to this Board's concerns previously outlined in a letter dated January, 4, 2008. The City has not addressed those concerns as of this date. Mr. Mulligan stated he would follow-up with the City and report back to the Board.

At 1:43PM, the Board met in closed session to discuss Mill Creek water rights, district manager transition, water service contract conversion, and Tesoro Viejo Holding contract settlement agreement. At 3:15 PM, the Board returned to regular session. There was no reportable action regarding the Mill Creek water rights negotiations, the water service contract conversions, or the Tesoro Viejo Holding contract settlement. Under District Manager Transition, Mr. Fergus Morrissey announced his intention to begin his employment at OCID on or about May 1, 2008.

With no further business to discuss, the meeting was adjourned at 3:20 PM.

Harvey A. Bailey, President

Robert T. Ramirez, Interim Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, May 14, 2008. The Meeting was called to order at 11:40 AM, with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David A. Brown Arlen D. Miller
Officers:	Fergus A. Morrissey, Engineer-Manager Robert T. Ramirez, Controller / Treasurer
Others:	John Sanders, Field Operations Supervisor James C. Chandler, Consulting Engineer

President Bailey asked if there were any changes to the agenda. Manager Morrissey suggested moving the Bradley detachment issue forward in the agenda to permit a discussion of the issue by the Board prior to the pre-arranged phone call with Mr. Bradley at 12:10 PM. Additionally, it was suggested to move the ACWA briefing to the last agenda item.

President Bailey then asked if there were any errors or omissions to the minutes for the Regular Board meeting of April 9, 2008 and the special Board Meeting of April 4, 2008. Director Brown offered a motion to approve both sets of minutes as prepared. The motion was seconded by Director Collin and unanimously approved by the Board.

Bills totaling \$472,607.20 were then discussed. Controller Ramirez indicated that the FWA charge of \$91,788.80 was for a two month period. Controller Ramirez indicated that the Baker, Peterson & Franklin bill of \$2,513 represented the final billing of their total fee of approximately \$8,000. The MWH bill included administrative charges. This administrative charge was questioned as to its rationale and no justification was apparent aside from the process of generating the bill. Director Brown initiated a discussion on the Hydropower Development costs associated with Tim Berliner's bill, and these charges were considered by the Board as justified upon further discussion. Charges for Director Bailey's engagement in SJR settlement legislation in Washington D.C. was considered by the Board, with the Friant Water Users Authority picking up 50% of the charges. Director Brown offered a motion to approve the bills as presented. The motion was seconded by Director Collin and unanimously approved by the Board.

Concerning the Monthly Report, Controller Ramirez reported on the financial standing of the OCID and activities of the accounting department. A discussion of available water, including contract supply, transfer quantities and carryover transpired. At time of the meeting, there was a surplus of approximately 7,700 acre feet above the District's foreseen need for the water year. This quantity will be preserved for the time being to allow for carryover into the next water year which has the potential to be dry. The monthly report was interrupted in order to discuss the Bradley detachment issue, as the time for the conference call with Mr. Bradley was imminent.

Regarding the Bradley detachment, Manager Morrissey indicated that Consultant Chandler was able to locate important documents to allow for generation of a legal description of those lands owned by Bradley within the OCID. An estimate for the necessary land survey and legal description/map generation will be obtained from Neil Zerlang to whom those documents were forwarded. Board discussion included the Board's unwavering position that Mr. Bradley was responsible to pay all back standby charges and all charges moving forward associated with standby charges. It was noted by Consultant Chandler that the LAFCO / USBR detachment process could take two years. The Board will assent to receive payments (to be determined) from Mr. Bradley until such time that the detachment process nears completion. Prior to execution of the detachment, full payment will be required of Mr. Bradley. The Board agreed that a written agreement be generated by OCID staff and signed and notarized by Mr. Bradley and Director Bailey detailing the payment terms to move forward with the detachment process.

Subsequent to the above discussion, Mr. Bradley was telephoned. Mr. Bradley was informed by Manager Morrissey of the Board's position with respect the policy on assessment collections. At this time, Mr. Bradley indicated that he had a change of heart relative to his previous inclination to detach all of his property (40 acres) from the OCID. Mr. Bradley indicated that he wishes to preserve half of his parcel within the OCID. Director Bailey requested of Mr. Bradley that he provide the Board with a notarized letter to that effect and for a diagram of the lands that he wishes to preserve within the OCID, suitable for the surveyor to generate necessary maps and legal descriptions for the LAFCO detachment process. It was indicated to Mr. Bradley that lands he chooses to remain in the OCID be contiguous with OCID existing boundaries and that no "islands" be created. Mr. Bradley understood the requirements and expectations and suggested that he will be providing the letter and map in the near future which are to be notarized. This completed the phone call discussion with Mr. Bradley.

Continuing with the Monthly Report, Field Operations Supervisor Sanders provided a report on the recent activities of the operations department. Director Brown complimented Field Operations Supervisor Sanders for his work on the monthly O&M reports and the value that they provide the Board with respect to understanding accomplished activities.

Under electrical power, it was noted that the OCID had received one payment of \$17,857 of the seven to be submitted to OCID from other Friant Power Authority members related to the "Resolution of Dispute and Transfer of Assets Agreement".

Manager Morrissey discussed information relative to Friant Division water supply declaration provided by the USBR at the Friant Water Authority Advisory committee meeting held on May 12th. At that meeting the USBR discussed potential runoff scenarios stressing that at this time, a firm designation was not possible due to uncertainties in remaining runoff quantities. A possible variance to the Mammoth Pool Agreement and an arrangement with Southern California Edison was also discussed that could provide greater certainty regarding final designation. A meeting between the USBR and Southern California Edison is scheduled for June 4th at Friant Dam to discuss this variance and at this time a final declaration by the USBR will be possible. Alternatively, the USBR indicated that if a total carryover of 40,000 acre feet by Friant Districts occurs in the next few weeks, the previous declaration (5% Class 2) will be possible, with or without the Mammoth Pool variance possibility.

Manager Morrissey indicated that the Assistant General Manager of Madera ID, Michael Cunningham, had made an inquiry of him in relation to the opportunity of a transfer of 2,000 acre feet from OCID to MID. Discussion by the Board suggested that for water supply insurance purposes, a transfer of this quantity at this time was not advisable. Manager Morrissey will advise Mr. Cunningham of the Board's position.

The following officers/director appointment proposals were discussed.

Manager Morrissey was considered for appointment as:

1. Friant Water Authority Alternate Director
2. Friant Water Users Authority Alternate Director
3. OCID Assessor
4. OCID Collector
5. OCID Secretary
6. OCID Financing Corporation Secretary

Director Miller was considered for appointment as Alternate Friant Power Authority Director.

Director Brown offered a motion to approve these appointments as listed. The motion was seconded by Director Collin and unanimously approved by the Board.

Authorization for Manger Morrissey to sign checks and to be signatory to an OCID business credit card was discussed. Director Brown offered a motion to approve Manager Morrissey's signing of checks and extending an OCID business credit card with a credit limit of \$10,000. Discussion also occurred in relation to adopting the Procurement Guidelines that was included in the Board packet.

Director Brown motioned to approve Manager Morrissey with check signing authorization, to

add Manager Morrissey as signatory to an OCID business credit card with a limit of \$10,000 and to adopt the Procurement Guidelines. The motion was seconded by Director Collin and unanimously approved by the Board.

Several non profit organizations for legal and water resources advocacy relevant to protecting the long-term interests of the OCID were considered for financial support. It was decided to fund those organizations in accordance with previous decisions made during the OCID budget process last December for the 2008 fiscal year. Groups that will receive financial support that were considered by the Board at this time include:

- | | |
|-------------------------------------------|---------|
| 1. Central Valley Project Water Authority | \$7,300 |
| 2. Family Farm Allowance | \$ 500 |

It was suggested not to contribute this fiscal year to the Pacific Legal Foundation, the San Joaquin Valley Agricultural Water Committee, nor the Agricultural Energy Consumers Association.

A motion was made by Director Collin to support those advocacy organizations in accordance with the 2008 fiscal budget. The motion was seconded by Director Brown and unanimously approved by the Board.

The Board of Directors went into Closed Session at 1:55 PM to discuss Mill Creek water rights, and FWA/FWUA issues of Rank Island, San Joaquin River Settlement Legislation, Westlands Water District’s Area of Origin Claim, Security of Confidential Documents, Temperance Flat Reservoir, the Bay Delta Conservation Plan, 9d Contracts and FWUA legal council transition. At 3:25 PM, the Board returned to regular session.

There was no reportable action regarding the Mill Creek water rights, and FWA/FWUA issues of Rank Island, San Joaquin River Settlement Legislation, Westlands Water District’s Area of Origin Claim, Security of Confidential Documents, Temperance Flat Reservoir, the Bay Delta Conservation Plan, 9d Contracts and FWUA legal council transition

Director Collin and Manager Morrissey briefed the Board on meetings and seminars attended at the ACWA Spring Conference during the first week of May. Briefing on a meeting with Montgomery Watson concerning the Water Management Goal associated with the San Joaquin River Settlement was discussed including a preliminary analysis of recapture opportunities for recirculation. Discussion on the Agricultural Discharge Waiver, the impending Tulare Lake Basin Water Quality Control Plan amendment process, groundwater issues pertaining to the anticipation of additional scrutiny with respect to salinity in the San Joaquin Valley and how water quality objectives for groundwater may be incorporated into the amended Tulare Lake Basin Plan, as well as a discussion on the general state of groundwater quality conditions in the state of California, constituted the basis of the discussion.

Due to conflicts with the next scheduled Board meeting, it was decided to reschedule at the to-be-determined convenience of the majority of Board members for a date besides the regularly scheduled June 11th Board Meeting.

With no further business to discuss, the meeting was adjourned at 4:20 PM.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Tuesday, June 17, 2008. The Meeting was called to order at 11:37 A.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David A. Brown Arlen D. Miller Russell Katayama
Officers:	Fergus A. Morrissey, Engineer-Manager Robert T. Ramirez, Controller / Treasurer
Others:	John Sanders, Field Operations Supervisor Joe Mastro, CPA (Auditor arrived at 1:05 P.M.)

President Bailey asked if there were any changes to the agenda. Hearing none, he ordered the agenda approved as prepared.

President Bailey asked if there were any errors or omissions to the minutes for the Regular Board meeting held on May 14, 2008. Director Katayama commented on the misspelling of the word Alliance as Allowance, in Family Farm Alliance and Manager Morrissey will correct this mistake. Director Brown offered a motion to approve the minutes pending this correction. This motion was seconded by Director Katayama and unanimously approved by the Board.

Bills totaling \$536,956.11 were discussed. Controller Ramirez discussed a series of bills that were non-recurring in nature. The Board had no significant questions on any of the bills presented. Director Miller made a motion to approve the bills as presented. The motion was seconded by Director Katayama and unanimously approved by the Board.

A discussion of delinquent Standby and Water User accounts were discussed. Total Standby delinquencies ending May 31st, amount to \$17,475.82, with \$8,269.62 of that total attributable to Mr. Steven Bradley's account. Total Water User delinquencies amount to \$3,577.95. Controller Ramirez expects that most of the delinquent accounts (excluding Mr. Bradley's) will be brought current by the 2nd installment date of June 20, 2008. It was noted that Jorge Soria has outstanding delinquencies of \$2,193.68 in Standby charges and \$1,286.08 in water use charges. Controller Ramirez stated that if Mr. Soria does not bring his accounts current by June 20th, he will ask the Assessor-Collector to file a Certificate of Lien.

Manager Morrissey informed the Board that the Request for an Extension of time associated with the FERC licensing of modifications to Project No. 11068 (Fishwater Release Expansion) has been submitted to and accepted by the FERC.

Status of water supply and deliveries were discussed. Manager Morrissey conveyed to the Board that the Bureau of Reclamation continues to support a 100% Class 1 / 5% Class 2 Water Supply Declaration which is in large part possible due to a Letter of Agreement between the United States Bureau of Reclamation and the Southern California Edison Company that allows for a one time variance from the Mammoth Pool Agreement, whereby SCE will increase passage of water through its Big Creek system (and into Friant Division Storage at Millerton) by approximately 50,000 acre-feet (from 202,500 to 250,000 acre feet) during the July 1 through August 31 period.

To date deliveries in the 2008 contract year within the District is 5,381 acre feet compared to 4,156 in 2007. Based on scheduled water for the remainder of the contract year there is a potential carryover of approximately 6,300 acre feet. The Board indicated that moving toward the end of the season, a buffer supply quantity in the 3,000 to 4,000 acre foot range is desirable. Given these circumstances Manager Morrissey queried the Board to get their opinion on potential transfer(s) with Tulare Irrigation District (TID).

One transfer discussed was for 1,500 acre feet of water to TID. This water would be transferred on a 1:1 / no cost basis to TID this year and be returnable to the District during the 2009 water year. This transfer will reduce the expected carryover down to 4,800 acre feet. Another type of transfer discussed was that of a District (transferor) to TID (transferee) transfer, returnable at a rate of one acre foot (back to the District) per two acre foot

transferred (received by TID) during year(s) wherein some fraction of 100% Class 1 supply declaration is made by the Bureau. No specific details have been agreed upon with TID on this character of transfer, however the Board instructed Manager Morrissey to explore this further with TID and to return to the Board for their consideration of such a program once it has been drafted.

Controller Ramirez reported on the “budget to actual” report as of May 31, 2008. Net income is approximately \$55,000 below projected levels as of May 31, attributed primarily to decreased power plant revenues and water deliveries. Total expenses through May 31 are approximately \$20,000 less than budgeted, primarily due to decreased administrative salaries incurred by the District during the first five months of 2008. Consulting expenses in excess of budget requirements were due to executive search (general manager) fees paid to Baker, Peterson and Franklin, and unanticipated engineering consulting fees paid to John Roldan and James Chandler to aide during the gap time resulting from not having a General Manager.

Operations Supervisor Sanders discussed his monthly field operations report for May. The most noteworthy issue was the lack of ability to secure a permit to construct, from the City of Orange Cove, for the antenna tower procured. Erection has been discovered to be problematic because the provided tower does not come with a professional engineers stamp. Supervisor Sanders is investigating other tower alternatives and will secure a positive determination from the City of Orange Cove, regarding any future towers permit-ability, prior to procurement.

A letter dated June 9, 2008 from Mr. Bryan Barnes regarding his desire to no longer have District water made available to his property (Tulare County APN 025-110-26) and to remove or permanently disable District infrastructure located at his property was discussed. Due to the vagueness of the letter with respect to Mr. Barnes’ ultimate agenda, the Board suspects that Mr. Barnes may be intimating that upon removal of the District’s infrastructure he would no longer be responsible for Standby charges. To avoid Mr. Barnes potential misunderstanding of District’s policy with respect to Standby charges being levied, regardless of water use, the Board considers it prudent to notify Mr. Barnes of the District’s policy regarding such. The Board Directed Manager Morrissey to provide written correspondence to Mr. Barnes to convey to him the policy that while in the District, landowners are unexceptionally obligated to pay Standby charges. Furthermore, the infrastructure on landowner property is the property of the District and this infrastructure must remain in place in order to accommodate the needs of subsequent landowner(s) who may purchase the property at some time in the future and have a desire to put to beneficial use the District’s water resource.

Mr. Bradley’s detachment issue was then discussed. Manager Morrissey informed the Board that Mr. Bradley had provided feedback, in the form of a marked up document, on June 17, 2008 regarding the draft Terms and Conditions Agreement sent to Mr. Bradley several weeks prior that was included in the Board packet. Mr. Bradley has indicated by his mark-up and verbally to Manager Morrissey that he now prefers complete detachment and that he will agree to pay \$100 per month until detachment proceedings are completed. Just prior to the finalization of detachment, Mr. Bradley indicated to Manager Morrissey that he would be able to secure a loan to pay off all remaining stand-by charges at that time.

The Board agreed to Mr. Bradley’s offer to pay \$100 per month until such time that detachment proceedings are complete. Manager Morrissey will modify the draft Terms and Conditions document in conformance with Mr. Bradley’s desire and those stipulations indicated above, for notarized signature by Mr. Bradley and President Bailey and Manager Morrissey will initiate the process for full detachment with the surveyor, LAFCO and the Bureau of Reclamation upon execution of the aforementioned Agreement.

Controller Ramirez reported that quotes on Workers Compensation Insurance were pending. It was noted that the District risk factor (experience mod) is currently at 87% with negligible loss runs. Further discussion was tabled to the next general board meeting since the comparable quotes had not been finalized.

The Board directed Manager Morrissey to develop a cellular phone use policy in conformance with the upcoming (July 1st) modification to California law that forbids use of cellular phone while operating a motor vehicle, without a hands free device. The Nextel phone devices provided by the District to Staff have a speaker mode which when activated renders the phone as a hands free device.

Joe Mastro, Certified Public Accountant, appeared before the Board to review his unqualified report on the District's audited financial statements. Mr. Mastro attested that the audited financial statements for the year ended December 31, 2007 present fairly the District's financial position and results of operations.

Controller Ramirez was then excused from the Board room to allow Auditor Mastro to review with the Board its accounting oversight responsibilities. Mr. Mastro reported he did not find any irregularities suggestive of fraud within the organization. Mr. Mastro commented that Controller Ramirez is knowledgeable, thorough, and organized as the Controller. Mr. Mastro suggested that the key to detecting fraud is to have adequate internal checks and oversight. Mr. Mastro expressed his opinion that this is taking place within the District.

Controller Ramirez then returned to the Board room to join in the discussion of the audit report. After discussion, Director Katayama offered a motion to accept the audit report as submitted. The motion was seconded by Director Brown and unanimously approved by the Board.

The Board Meeting went into Closed Session at approximately 2:10 P.M.

At 3:00 P.M., Controller Ramirez and Field Operations Supervisor Sanders were excused from the Board room to allow the Board to discuss personnel issues.

The Board returned to Open Session at approximately 3:40 P.M.

Reportable action during the Closed Session:

1. Chairman Bailey reported that the Board unanimously approved performance based pay adjustments, effective July 1, 2008, for the following positions:
 - a. Accounting Clerk
 - b. Field Operations Staff
 - c. Field Operations Supervisor
 - d. Controller

With no further business to discuss, the meeting was adjourned at 3:49 P.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, July 9, 2008. The Meeting was called to order at 11:49 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, President
Henry A. Collin, III, Vice President
David A. Brown
Arlen D. Miller
Russell Katayama

Officers: Fergus A. Morrissey, Engineer-Manager
Robert T. Ramirez, Controller / Treasurer

Others: John Sanders, Field Operations Supervisor

1. Call to order

The regular Board of Directors meeting for July 2008 was called to order by President Bailey at 11:49 A.M.

2. Additions to and approval of the Agenda.

No additions or changes were suggested to the Agenda. Motion to approve Agenda made by Director Brown and seconded by Director Miller. All Board members voted in favor of approving the Agenda as written.

3. Public Comment.

No members of the Public were present.

4. Approval of Minutes.

A motion to approve the Minutes of the June 14, 2008 regular Board of Directors meeting was made by Director Miller and seconded by Director Katayama. All Board members voted in favor of approval of the Minutes. Director Miller requested that Board actions and staff actions be highlighted in future minutes.

5. Approval of Bills.

Controller Ramirez discussed monthly warrants to be approved by the District. The total warrants under consideration were \$428,314.30. Controller Ramirez went over several of the non-routine monthly warrants to be approved, including refunds due to duplicate standby and water payments, an old invoice for \$2,774.66 from land surveyor Neil Zerlang for Bradley, Fitzgerald and Damm surveying, a placeholder for State Compensation Insurance Fund for workers compensation insurance in the event the Board elects to switch vendors from SDRMA to SCIF as well as several others. Subsequent to the discussion, there were no questions.

Director Katayama made a motion to approve the warrants in total and Director Brown seconded the motion. All Board members were voted in favor of paying the bills.

6. Monthly Report - A discussion was held regarding on-going activities of the District such as financial standing, District operations and related issues. The following items were discussed.

Controller Ramirez went over the delinquent standby charges. Total delinquencies amount to \$70,610.28 with \$63,813.58 of this total being 2008 delinquencies. Delinquent water accounts total \$1,286.08, the entire sum due from Mr. Jorge Soria.

The LAIF balance on 6/30/2008 was \$5,814,006.14 and the rate of return for the first quarter of 2008 was 4.18%.

It was noted and Controller Ramirez was congratulated on his successfully passing the State of California Notary Public Examination. Supervisor Sanders discussed the operations staff monthly report. Various repairs were discussed as were housecleaning efforts associated with a JPIA inspection

that took place on June 5, 2008. The inspection identified two action items:

- a. defensive driver training was due for staff members, Rita Mejorada, Arthur Pipkin and Robert Ramirez and,
- b. “NO TRESPASSING” signs should be posted at the perimeter fence of Pump Station 2.

These requested items will be completed and a notification confirming such will be sent to JPIA per their request and standard procedure.

Detachment of the property under the ownership of Steve Bradley was discussed. It was noted to the Board that Mr. Bradley had signed the Terms and Conditions document and proceedings for full detachment are underway.

7. Electrical Power – A discussion was held regarding various issues with the Friant Power Authority, Fishwater Hydro, and the Kings River Hydro.

The Kings River Hydro Plant, through June of 2008, has generated total revenue of \$62,211.50 which is below the \$100,000 threshold necessary for the District to realize any revenue and this years to date generation is considerably below last years though June total revenue of approximately \$109,000.

The Fish Water Release plant has generated slightly more revenue through June this year verses last year, with a total of \$123,767.80 this year compared to last years \$112,940.17.

Manager Morrissey briefed the Board regarding the status of the expanded Fishwater Release project. URS, Friant Power Authority’s consultant, is actively working on a feasibility and cost comparison of the project alternatives which both consist of a pipeline from the Madera Canal to the San Joaquin River (along different alignments) and an expanded San Joaquin River outlet facility. One alternative, a shorter pipeline (approximately 450 feet), first runs into Cottonwood Creek before entering the San Joaquin River, while the other alignment (approximately 900 feet) runs directly into the San Joaquin River. Preliminary results of this feasibility study will be presented to the FPA Advisory Committee on Monday July 14, 2008.

8. Water Management – A discussion was held regarding past water supply, groundwater conditions and the management of the current year’s water supply, including water transfers, and potential transfers.

In terms of water supply, the Bureau of Reclamation is continuing to hold to their declaration of 100% Class 1 and 5% Class 2. The total water supply available to the District for 2008 is 45,615 acre feet. Water use within the District through June 2008 is 9,366 acre feet, comparable but slightly above, last years through June use of 8, 248 acre feet.

Manager Morrissey discussed historical trends of groundwater elevation in the District relative to historical diversion of Friant Class 1 supply by and precipitation within the District. It was noted that the groundwater elevation in the District has been relatively stable over the past several decades and groundwater elevation changes are correlated with variations in participation within the District. This suggests that the current practice of groundwater use within the district is sustainable provided that drought conditions are not significant.

Manager Morrissey discussed his evaluation of the water supply and financial impacts of the San Joaquin River Settlement on District operations. Based on the various hydrographs of the San Joaquin River watershed and Settlement release requirements during the various water year types, the weighted average Friant Division Supply is expected to be reduced from approximately 33,095 acre feet to 30,787 acre feet. Based on a \$200 / acre foot water value, the average annual cost to the District is expected to be approximately \$462,000, based on this average loss of available supply. The District will have less water than historically used in an average year for irrigation and will have less carryover water for transfer or sale on the open market.

The Board reviewed, as a Responsible Agency, San Luis Water District’s (Lead Agency) Notice of Exemption for Transfer of Friant Division Class I water to San Luis Water District. Manager Morrissey informed the Board that the Notice of Exemption paperwork and filing was being handled by San Luis Water District

and/or their consultant and would be filed in Tulare County in addition to Fresno County in accordance with CEQA protocols. It was also noted to the Board that while the necessary logistics for the transfer have not been completed, steps in that direction continue to be made and effecting the transfer remains to appear likely during this water year.

The Board went into Closed Session at Approximately 13:20 hours. The following issues were discussed:

9. Closed Session – Real Property Negotiations –12:30 P.M. Engage Gary Sawyers in a conference call to discuss with the Board the status and recommended approach to pursue the potential transfer/sale of Mill Creek water rights.

10. Closed Session - FWA Issues – A discussion will be held regarding this Agency’s Strategic Plan development.

11. Personnel Issues

The Board came out of Closed Session at approximately 14:10 hours.

12. Open Session – Disclose reportable action(s) determined during closed session.

No reportable actions resulted from the Closed Session.

13. Choose among two options for conforming with newly enacted vehicle cellular phone usage restriction – Hands free law effective July 1, 2008.

The Board chose to implement Option 2 as the cellular phone policy which was recommended by the District’s Liability Insurance carrier, and is more restrictive in that it does not permit, even with a hands free device, receiving or placing calls while operating a motor vehicle on California’s roadways.

This document will be provided to all District employees for their signature and placement in their personnel file.

14. Workers Compensation Insurance-A discussion will be held to consider proposals for workers compensation insurance.

The Board’s consensus was to switch workers compensation insurance coverage to State Fund and discontinue coverage with SDRMA. Controller Ramirez reported that the annual projected savings is on the order of \$1,106.73

15. Fair Political Practices Commission revised Regulation 18944.2 – Gifts to an Agency.

This new FPPC Regulation was provided to the Board members for their information. No action was taken with respect to this item.

With no further business to discuss, the meeting was adjourned at 14:50 hours.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, August 13, 2008. The Meeting was called to order at 11:37 A.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David A. Brown Russell Katayama
Officers:	Fergus A. Morrissey, Engineer-Manager (Via Phone) Robert T. Ramirez, Controller / Treasurer
Others:	None

1. Call to order

The regular Board of Directors meeting for August 2008 was called to order by President Bailey at 11:37 A.M.

2. Additions to and approval of the Agenda.

Controller Ramirez requested that a discussion pertaining to Property Liens and Assessment Sales be added to the Agenda. A motion to approve the Agenda, including the item regarding Property Liens & Assessment Sales, was made by Director Brown and seconded by Director Collin. All Board members voted in favor of approving the Agenda as revised.

3. Public Comment.

No members of the Public were present.

4. Approval of Minutes.

A motion to approve the Minutes of the July 9, 2008 regular Board of Directors meeting was made by Director Katayama and seconded by Director Collin. All Board members voted in favor of approval of the Minutes.

5. Approval of Bills.

Bills totaling \$357,485.56 were discussed. After discussion, Director Collin offered a motion to approve the bills. The motion was seconded by Director Brown and unanimously approved by the Board.

6. Monthly Report.

Controller Ramirez reported on the financial standing of the District and activities of the accounting department. President Bailey reported on the activities of the Friant Water Users and Friant Water Authorities.

7. 2003 and 2005 District Reorganization –

A discussion of the spreadsheet contained in the Board packet that outlined the determined reorganization cost allocation for properties brought into the District as part of the 2003-2005 Reorganization. Manager Morrissey went over the methodology used to arrive at the determination and the Board was in general concurrence with the determination. An exception was noted in relation to Riddle Farms. The Board indicated that the Reorganization fee of \$618.44 ascribed to Riddle farms should not be charged because of an earlier agreement entered into with Riddle farms relative to the placement of a District facility (operating reservoir) on a portion of the property annexed into the District. This \$618.44 dollars was dispersed proportional to annexed acreage to the other properties annexed into the District as part of the 2003 Reorganization. In addition to this modification, the Board directed dispersing the landowner Elliot's 2007 standby charge of \$933.60 to all reorganization parties in a manner proportional to annexed acreage.

8. Electrical Power – A discussion was held regarding various issues with the Friant Power Authority, Fishwater Hydro, and the Kings River Hydro.

Manager Morrissey explained to the Board the request by FERC for the District to provide information relative to either submittal of Exhibit G or the request for a time extension to submit Exhibit G for the Application submitted by the District relative to the Fishwater Release Application under License 11086 back in October of 2006. As a result of this request, it was determined that a new Exhibit G will be prepared by the Friant Power Authority as part of the expanded project wherein the District is a Co-licensee. A request for an extension for submittal of an appropriate Exhibit G was made to FERC and has been granted.

It was also noted that while the FPA expected the head in the reservoir to drop below the critical level necessary to run the Madera and Friant-Kern Canal power plants, however, releases by SCE into Millerton raised the elevation affording the opportunity for additional power generation.

9. Water Management – A discussion was held regarding past water supply, groundwater conditions and the management of the current year's water supply, including water transfers, and potential transfers.

Manager Morrissey prepared a Resolution (2008-3) for the Board to consider acting on adopting the Notice of Exemption prepared for the water transfer between San Luis Water District and the District, for up to 9,000 acre feet of water during the 2008 water year. The Notice of Exemption when filed within Fresno and Tulare County is prudent for compliance with CEQA regulations. The Board members present voted unanimously to adopt Resolution 2008-3.

The Board went into Closed Session at 12:40 PM. The following issues were discussed:

10. Closed Session – Real Property Negotiations – to discuss the status and recommended approach to pursue the potential transfer/sale of Mill Creek water rights.

11. Closed Session - FWA Issues – A discussion was held regarding this Agency's Strategic Plan development and San Joaquin River Settlement Status.

The Board came out of Closed Session at approximately 12:58 PM.

12. Open Session – Disclose reportable action(s) determined during closed session.

There were no reportable actions to discuss in closed session.

13. Deferred Compensation Plan for District Employees.

Manager Morrissey proposed adding an alternative to the deferred 401k compensation plan presently offered through AIG (formerly VALIC). The additional plan would be a 457 plan administered through the TDS Group and would be available to all employees as an alternative vehicle into which they may invest their pre-tax contribution. A motion was made by Director Brown and seconded by Director Katayama to offer this optional investment vehicle to District employees.

Also brought up for discussion was the request for the Board to consider increasing the level of employer contribution which is presently at 5%. The Board requested some additional research be performed by staff to justify this request and because only three Board members were present at the time this item was discussed (Director Collin had left for a Dr. appointment prior to this discussion) the Board deferred making any decision pending further discussion.

14. ACWA Membership Dues.

Manager Morrissey informed the Board that ACWA was implementing a strategic plan that would essentially increase their involvement in working toward a solution in the Delta. This would require additional marketing and staff resources. ACWA, at previous orientation meetings regarding their strategic plan, had indicated that the increase in membership dues would be a function of the O&M budget of the member district and whether or not they were tied to the Delta for their water supply. Based on the parameters associated with the District, Manager Morrissey was informed that the increase would be \$2,500 above the current membership dues of \$6,060.

Based on this information, the Board indicated that they will need additional input to consider the value and worthiness of this extra cost to maintain ACWA membership.

15. Notification of Target Safety/Prevention Link Opportunity for Online Training available to employees and Directors.

Manager Morrissey informed the Board that this was a potential program through which web training and administrative interface with JPIA is available. This program would also make available online ethics training for the Directors at no cost.

16. Fresno County Fire District Fire Suppression Assessment.

This Assessment was discussed and while there would be no additional assessment to the District, landowners in the District may be affected. The Board therefore suggested that the District remain silent on the issue as they had no strong opinion that the Assessment was a worthy expense.

17. Property Liens and Assessment Sales.

Controller Ramirez reviewed the delinquent accounts and draft resolution number 2008-2 with the Board. After discussion, Director Collin offered a motion to approve Resolution No. 2008-2 and to record certificates of lien and/or sale on all accounts that remain delinquent after the final deadline. The motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, the meeting was adjourned at 13:40 hours.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, September 10, 2008. The Meeting was called to order at 11:35 A.M., with the following Directors and Officers present:

Directors:	Henry A. Collin, III, Vice President David A. Brown Russell Katayama Arlen Miller
Officers:	Fergus A. Morrissey, Engineer-Manager Robert T. Ramirez, Controller / Treasurer John Sanders, Operations Supervisor
Others:	None

1. Call to order

The regular Board of Directors meeting for September 2008 was called to order by Director Collin at 11:35 A.M.

2. Additions to and approval of the Agenda.

Manager Morrissey requested moving the discussion pertaining to the deferred compensation plan and level of employer contribution be moved ahead of the discussion on the draft budget (draft budget included the categories of administrative, water delivery / operations, power plant and contributions). Manager Morrissey also requested the addition of a discussion on the recent request by Tri-Valley Water District to receive a transfer of 25 acre feet from the District's 2008 supply as item 12 c on the agenda. A motion to approve the Agenda, including the aforementioned modifications, was made by Director Brown and seconded by Director Miller. All Board members voted in favor of approving the Agenda as revised.

3. Public Comment.

No members of the Public were present.

4. Approval of Minutes.

A motion to approve the Minutes of the August 13, 2008 regular Board of Directors meeting was made by Director Brown and seconded by Director Miller. All Board members voted in favor of approval of the Minutes.

5. Approval of Bills.

Bills totaling \$702,337.73 were discussed. After discussion of the bills, Director Brown offered a motion to approve the bills. The motion was seconded by Director Katayama and unanimously approved by the Board.

6. Monthly Report.

Controller Ramirez reported on the financial standing of the District and activities of the accounting department. Included in the discussion was the delinquent account status for both Stand-by and Water users.

Manager Morrissey discussed the details of a recent telephone conversation he had on September 10, 2008 with Mr. Chris Lange of Golden Groves regarding a letter request sent in August from the District to Mr. Lange outlining reorganization costs and 2007 standby charges assessed to Golden Groves. Mr. Lange expressed his concern over the reorganization charges because he recalled providing the District with a check in 2005 for at least some of these costs. Mr. Lange also voiced his discomfort regarding the validity of his obligation to pay for standby charges in 2007 insofar as the annexation process was not completed until early 2008 and he therefore could not receive District deliveries during 2007.

Controller Ramirez' research on Golden Groves' payment history revealed that a payment was made in July of 2005, however this payment was for labor and materials associated with System 1-North Improvement District and is unrelated to the costs associated with reorganization.

With respect to the assessment of 2007 reorganization costs, the Board expressed this charge was District Policy and annexing land owners are obligated to pay any and all costs associated with reorganization, including stand-by charges incurred on acreage while in the process. This charge is in accordance with landowner agreements entered into prior to the initiation of annexation or detachment. A detaching owner is free from further obligation to pay for Stand-by charges once the process is undertaken and because the District must receive standby charges from all acreage in the District each and every year, the alternative to the annexing land owner paying these Stand-by charges is for this charge to be dispersed to all District landowners. The former is the logical approach and thus the official policy of the District. Manager Morrissey shall contact Mr. Lange and discuss these details with him.

Controller Ramirez discussed the water deliveries for this contract year, generation from the Kings River Hydro Plant, generation from the Fish Water Release power plant and discussed the actual to budget comparison through August of 2008. As a result of low water sales and lower than projected power plant revenues, the District is experiencing an unfavorable variance of \$84,294 relative to the 2008 Budget.

Supervisor Sanders discussed the maintenance monthly report. It was noted in the discussion that a new flow meter was installed at the Fishwater Release Hydroplant. Also part of the discussion was the installation of a two inch meter to replace four inch meters in locations where flow is insufficient to register water use. The Board considered the option of replacing the meter or imposing a minimum use charge. It was decided that the preferred approach was to replace the meters in situations where flow was inadequate to register water delivery.

7. Board of Equalization.

No public was present to be heard at the 12:00 recess for the Board of Equalization. It was noted that the total District acreage is 28,043.5 acres with an assessed land valuation of \$2,000 per acre or \$56,087. The Board inquired as the status of Tulare County's remapping process. Controller Ramirez indicated that they should be nearing completion of the process as we are in the fifth year of a supposed five year process. Aside from this, the Board had no further questions and there was no public involvement.

8. Deferred Compensation and District Contribution.

After discussion on the contribution (matching) level of the District relative to other water districts (those included in the ACWA Survey) Director Miller made a motion to increase the contribution level by 2% to a total of 7%. This motion was seconded by Director Brown. A vote on the issue was taken and all Directors were in favor.

9. Draft 2009 Budget.

Controller Ramirez discussed the three options of the draft budget provided to the Board. The differences among the draft budget alternatives stem from assumptions relating to the level of revenue from outside water sales during 2009. The Board preferred at this time to defer deciding on a budget option until the October Board meeting.

10. Electrical Power

A discussion was held regarding electrical power generation associated with the Kings River Hydro Plant, the Fishwater Release Plant and from Friant Water Authority projects. On an overall basis it appears at this time that total power generation will fall short of average as a result of a less than average year water supply.

11. Potential Curtailment Program Administered through Consumer Powerline

Manager Morrissey discussed the details of the overall program types that could be entered into with Consumer Powerline. Manager Morrissey asked the Board for their opinion on the potential utility of entering into a curtailment scheme within the District that would curtail, during periods of peak use, operation of District pumps. The Board directed Manager Morrissey to investigate the options further, restricting them to curtailment of pumps associated strictly with the operation of the four water supply reservoirs.

12. Water Management.

a/b. Status of San Luis Water District Transfer/Consideration of 4,000 Acre Foot Transfer Agreement Alternatives.

Manager Morrissey discussed the status of the water transfer to San Luis Water District and shared with the Board that delivery had begun on August 28th. At the time of the meeting there remains uncertainty relative to the amount of water that can be transferred during the 2008-2009 water year. It is apparent that San Luis will be able to transfer the entire 5,000 acre feet associated with the agreement between the District and San Luis executed in March of 2008, however San Luis is requesting that if necessary conveyance capacity is not available to transfer an additional 4,000 acre feet pursuant to an agreement presently being drafted, that any residual quantity be carried over into next water year at the same terms of the draft agreement (\$215 per acre foot plus Bureau of Reclamation costs). It was the consensus of the Board that it was inadvisable to commit to this price going into next water year, however the Board was amenable to transferring the entire 4,000 acre feet provided it was during this water year to the extent that conveyance capacity allows and based on the District's existing available residual supply, anticipated use and anticipated District carryover into next water year.

Based on draft budget considerations, it would be beneficial to move half of the 4,000 acre feet during the 2008-2009 water year during the months of January and February of 2009, due to the Districts fiscal year coinciding with the calendar year and impact of revenue generated from outside water sales on the Districts per acre standby-charge. Manager Morrissey will explore this possibility with San Luis to see if that is possible and notify San Luis that the Board is unwilling to commit to carryover for next year.

This topic will be discussed further at the October Board meeting at which time information on rate of transfer should be available from San Luis Water District and this will allow a decision to be made regarding the terms of the Agreement to be executed with San Luis with respect to the transfer of 4,000 acre feet.

c. Tri-Valley Irrigation District Transfer

Manager Morrissey informed the Board that a recent request for a transfer of Orange Cove's supply be made to Tri-Valley Water District. Manager Morrissey first got consent from the Board as to their feeling regarding the transfer. Upon the Board's acquiescence to the transfer, Manager Morrissey queried the Board as to the price that the District should be compensated, on a per acre foot basis. Subsequent to discussion, Director Brown made a motion to sell the water to Tri-Valley for 110% of the average price that Tri-Valley is paying for water at the present time. This motion was seconded by Director Katayama and unanimously approved by the Board. Manager Morrissey will determine the price point and offer the 25 acre foot based on 110% of what Tri-Valley is presently paying.

13. Closed Session –

a. San Joaquin River Settlement.

b. Special Council Considerations for San Joaquin River Settlement.

The Board discussed the above items in closed session.

14. Return to Open Session.

The Board returned to open session at 3:20 P.M. without reportable action.

With no further business to discuss, the Board of Directors September meeting was adjourned at 3:23 P.M. with the next scheduled meeting to occur on Wednesday October 8, 2006 at 11:30 A.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, October 08, 2008. The Meeting was called to order at 11:36 A.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President Russell Katayama Arlen D. Miller
Officers:	Fergus A. Morrissey, Engineer-Manager John Sanders, Operations Supervisor
Others:	None

1. Call to order

The regular Board of Directors meeting for October 2008 was called to order by Director Collin at 11:35 A.M. Director Bailey arrived to the meeting at 11:40 A.M.

2. Additions to and approval of the Agenda.

The Agenda was approved as presented.

3. Public Comment.

No members of the Public were present.

4. Approval of Minutes.

A motion to approve the Minutes of the September 10, 2008 regular Board of Directors meeting was made by Director Katayama and seconded by Director Miller. All Board members voted in favor of approval of the Minutes.

5. Approval of Bills.

Bills totaling \$607,419.53 were discussed. After discussion of the bills and the fact that there were no remarkable or notable expenditures of concern, Director Katayama offered a motion to approve the bills. The motion was seconded by Director Miller and unanimously approved by the Board.

6. Monthly Report.

Manager Morrissey went through the Accounting Department's Monthly Report. He noted that all of the 2003 and 2005 Reorganization charges had been brought to zero balance. Manager Morrissey provided the Board with an status update relative to the Accounting Departments Monthly report noting that Golden Groves had paid its full reorganization balance of \$5915.05, Chris Hidalgo paid 177.00 for damage to an air vent on his property caused by his activity, Tri-Valley Water District paid for the transfer of 25 acre feet from the District at a rate of \$236.50 per acre foot, and San Luis Water District paid to the District a total of \$1,860,000 for the 9,000 acre foot intra-district transfer.

Manager Morrissey discussed the water deliveries for this contract year, noting that it a carryover of at least 5,000 acre feet was likely for next year. Along with water transferred to Tulare ID earlier this season, the incremental supply for next year is 6,500 acre feet which parallels last years carryover value of 6,415 acre feet. Also noted was the generation from the Kings River Hydro Plant (through August of 2008 District has received payment of \$6,978.08) and the Fish Water Release power plant which is on track to provide approximately \$260,000 to the District.

Manager Morrissey noted that included in the LAIF fund quantity of \$4.94 million, \$600,000 was reserved for Drought Year Water Purchases which should provide monies for an additional 3,000 acre feet as needed based on water supply conditions. Based on the carryover, the aforementioned funds and a District consumption of 30,000 acre feet, the water supply allocation by the Bureau would have to be less than 52% for the District to be negatively impacted. In the last 50 years, only once was the supply allocation for Class 1 water less than 52% when in 1977 the allocation was 25%

Supervisor Sanders briefly discussed the maintenance monthly report noting that a large number of meters are being repaired in-house by District personnel and this is turning out to be a great savings to the District as this activity was previously contracted to Water Specialties. Noted were a few minor field repairs and general cleanup that is being performed within the maintenance yard including a carport extension project. It was noted that the District is still waiting for the approval to construct the new communication tower which is expected shortly from the City of Orange Cove.

7. Water Management Status

Manager Morrissey noted that the entire water transfer to San Luis Water District has been accomplished. It was noted that the Friant Water Authority had made an error in that it transferred 412 acre feet in excess of the 9,000 acre feet to be transferred. This situation will be monitored by Manager Morrissey to ensure that there is no attempt by the Bureau or the Friant Water Authority to ascribe blame to any of the entities associated with the transfer (i.e. Kern County Water Agency, Arvin Edison Water Storage District, San Luis Water District and Orange Cove Irrigation District).

8. Refinancing of 1996 Certificates of Participation.

Manager Morrissey informed the Board of the recent meeting with Wells Fargo representative Michael Engelbrecht regarding the refinancing of the Districts long term debt. Controller Ramirez and Manager Morrissey are working with Wells Fargo's Bond Counsel, Nossaman LLC on the Preliminary Official Statement for the District. This POS needs to be complete in order for a bond to be issued to refinance. Wells Fargo was informed at this recent meeting that that the Board will be willing to refinance upon favorable conditions; including a net present value savings of 3.% with a net revenue rate covenant not to exceed 100% of annual debt service and 10% from the general fund. The Board affirmed these requirements at the Board Meeting.

9. Inclusions and Exclusions

Manager Morrissey explained to the Board that there will be approximately 120 acres available for annexation into the District in the upcoming year. Acreage will be available as a result of the detachment of Bradley's parcel and annexation of District lands by the City of Orange Cove. Discussion was focused on the Districts Policy for including parcels working from the list of landowners that have requested inclusion. The Board instructed Manager Morrissey to determine if there was a policy and if there was not a policy to develop a policy such that inclusion priority is tied to the parcel, not the original requestor for inclusion.

Based on this directive from the Board, Manager Morrissey will proceed accordingly down the existing list of properties considered for inclusion.

10. Draft 2009 Budget.

Manager Morrissey presented the draft budgets prepared by Controller Ramirez to the Board for their consideration. Director Katayama made a motion to adopt the budget outlined as Option C. This motion was seconded by Director Collin, and all Board Members present voted in favor.

11/12. Electrical Power

Manager Morrissey noted to the Board that in order to conduct an evaluation of the feasibility of a low head power plant facility at Little Dry Creek Siphon structure on the Friant-Kern Canal, he will make the offer to partner to all members of the Friant Power Authority. If any decide to engage, they will share in the development costs and revenue generate by the completed project. For those not interested, a formal letter will be requested for District files to avoid future conflict within the Friant Power Authority members.

Potential Curtailment Program Administered through Consumer Powerline was discussed. Consumer Powerline has indicated that in order to implement a curtailment program, the District will need interval meters installed on 5 meters at a cost of \$2,700 per meter or \$13,000. Manager Morrissey will not engage in any curtailment contract until he has verified that there is curtailment potential available to offset the meter costs. This will be determined based on operating information stored in the District's SCADA system on electrical usage on those particular systems. These systems include those tied to the District's reservoirs; 3, 8, 11, and 13.

Manager Morrissey discussed the details of the overall program types that could be entered into with Consumer Powerline. Manager Morrissey asked the Board for their opinion on the potential utility of entering into a curtailment scheme within the District that would curtail, during periods of peak use, operation of District pumps. The Board directed Manager Morrissey to investigate the options further, restricting them to curtailment of pumps associated strictly with the operation of the four water supply reservoirs.

13. Closed Session –

- a. San Joaquin River Settlement.*
- b. Discussion of potential costs associated with Delta engagement.*
- c. Mill Creek Issues*

The Board discussed the above items in closed session.

14. Return to Open Session.

The Board returned to open session at 3:23 P.M. without reportable action.

With no further business to discuss, the Board of Directors October meeting was adjourned at 3:24 P.M. with the next scheduled meeting to occur on Wednesday November 12, 2008 at 11:30 A.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 05, 2008. The Meeting was called to order at 3:00 P.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President David Brown Russell Katayama Arlen D. Miller
Officers:	Fergus A. Morrissey, Engineer-Manager Robert T. Ramirez, Controller/Treasurer
Others:	Esquire Michael Sexton, Minasian, Spruance, Meith, Soares & Sexton, LLP - via telephone

1. Call to order.

A Special Board of Directors meeting for November 2008 was called to order by Director Bailey at 3:00 P.M.

2. Additions to and approval of the Agenda.

The Agenda was approved as presented.

3. Public Comment.

No members of the Public were present.

4. Closed Session – Friant Water Users Authority Issues

a. San Joaquin River Settlement – Third Party Negotiations.

5. Return to Open Session – Reportable Actions from Closed Session.

The District returned to open session at approximately 3:55 P.M. Reportable action during the closed session included a motion made by Director David Brown to:

- a. Approve moving forward with the presented amendments to the San Joaquin River Settlement Legislation (Legislation), as explained by Esquire Sexton, that were developed during ongoing negotiations with the Exchange Contractors, and
- b. To vote in favor of accepting said amendments to the Legislation at the Friant Water Users Authority's Special Board of Directors Meeting being held on November 6, 2008, and
- c. To authorize Esquire Sexton to work on behalf of the District insofar as it becomes necessary to accept additional minor and legally insubstantial changes to further amend the Legislation referenced above in the spirit of accommodating the Exchange Contractor's position without negatively impacting the Friant Division's or the District's position.

This motion was seconded by Director Katayama

With no further business to discuss, this Special Board of Directors meeting in November was adjourned at 3:59 P.M. with the next regularly scheduled meeting to occur on Wednesday November 12, 2008 at 11:30 A.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, November 12, 2008. The Meeting was called to order at 11:45 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, President
Henry A. Collin, III, Vice President
David Brown
Russell Katayama
Arlen D. Miller

Officers: Fergus A. Morrissey, Engineer-Manager
Robert T. Ramirez, Controller/Treasurer
John Sanders, Operations Supervisor

Others: None

1. Call to order

The regular Board of Directors meeting for November 2008 was called to order by Director Collin at 11:45 A.M. Director Miller arrived at the meeting at approximately 12:21 P.M.

2. Additions to and approval of the Agenda.

The Agenda was approved as presented in a motion by Director Brown. This motion was seconded by Director Katayama. All Board members voted in favor to approve the agenda.

3. Public Comment.

No members of the Public were present.

4. Approval of Minutes.

A motion to approve the Minutes of the October 8, 2008 regular Board of Directors meeting was made by Director Collin and seconded by Director Katayama. All Board members present voted in favor of approval of the Minutes.

5. Approval of Bills.

Bills totaling \$681,194.47 were discussed. Director Collin asked about the \$1,190.00 invoice from Concepts in Controls, Inc. The charge was incurred, as explained by Supervisor Sanders, as a result of miscommunication between a pump on System 4 and the SCADA computer in the office. After discussion of the bills and the fact that there were no other notable expenditures of concern, Director Brown offered a motion to approve the bills. The motion was seconded by Director Collin and unanimously approved by the Board members that were present.

6. Monthly Report.

Controller Ramirez noted that he was in the process of sending delinquent notices to the primary lenders of landowner's with delinquent Stand-by charges in an effort to receive outstanding charges. There are approximately 14 landowners that fall into this category of delinquency. Controller Ramirez noted a significant number of delinquent water user's accounts, the vast majority of which are not chronically late payers and as such payments will likely be received in the immediate future.

Income generated from outside water sales prompted Director Katayama to inquire about the ultimate disposition of these revenues. As a result of the discussion, Director Katayama asked staff to make recommendations for the disposition of these monies received by the District in 2008. Manager Morrissey and Controller Ramirez committed to providing recommendations at the next regularly scheduled Board Meeting in December.

Supervisor Sanders discussed the maintenance monthly report noting the work on the expanded carport and gas island concrete pad in addition to aquatic weed control activities in the District's reservoirs, and progress on the assembly of the new antennae tower whose erection is expected to begin in December.

7. Water Management Status

Manager Morrissey noted that it appears as though the District is positioned to carryover approximately 6,000 acre feet of the 2008 water year supply into next year. Director Katayama inquired as to the status of progress on or the likelihood of outside water sales for the 2009 water year. Manager Morrissey suggested that it was too early to do so, given the uncertainty of next years water supply conditions, notwithstanding the dry outlook for late fall and winter conditions throughout California. Manager Morrissey suggested that developments associated with this issue will likely not develop until February of next year.

Manager Morrissey briefly discussed some of the contents of the "Water Strategist" publication included in the Board packet, which give insight into the potential value of agricultural and environmental water throughout the Western United States in general as well as in California, specifically.

8. Refinancing of 1996 Certificates of Participation.

Manager Morrissey informed the Board of a meeting with Standard & Poors (S&P) in San Francisco that was scheduled for November 13th. Wells Fargo representative Michael Englebrecht will team with the District for the meeting which is intended to educate S&P on the socioeconomic position of the District, including all risks associated with the forward looking long term viability of the District. A rating is expected within a week of that interview and subsequent to that determination the Board will be in a position to consider parameters associated with the refinancing of the delivery system rehabilitation financing.

9. Inclusions and Exclusions

The status of the policy for annexation into the District received significant discussion as did the particulars associated with the current status of the inclusion priority list maintained by the District. The discussion culminated in the determination that while a policy was in place, a more rigorous version was needed and directed Manager Morrissey to develop such with the assistance of Esquire Gary Sawyers. Directors Bailey and Collin agreed to be part of an ad-hoc committee to ensure that the process was adequately guided so that the end product has the greatest likelihood to be accepted by the entire Board of Directors of the District.

10. Direct Deposit.

Controller Ramirez presented the Board with the option of staff's biweekly net compensation to be remitted electronically (Direct Deposit) through *Paychex* ®. The Board asked Controller Ramirez to evaluate the potential for this service to be provided by the District as opposed to an by an outside vendor. Controller Ramirez will compare this option with the *Paychex* ®.option and provide his recommendation to the Board at the next regular Board of Directors Meeting.

11. Electrical Power

Manager Morrissey noted to the Board that the opportunity to engage in an evaluation of the Little Dry Creek Siphon as a potential power plant development was advanced to the Friant Power Authority as a whole at the October FPA Board Meeting and that either the FPA or a subset of her member agencies may be interested in pursuing an evaluation. This determination will be made during the November FPA Board Meeting and interest or lack thereof, will be provided to the District from each of the member agencies of the FPA in writing.

Manager Morrissey displayed the results of an electrical usage analysis based on the data acquired and stored by the Districts SCADA system on facilities that may have the potential for curtailment; i.e. the reservoir pumping plants. This analysis was done as a follow-up to previous discussion on same with respect to entering into an agreement with Consumer Powerline. Based on the analysis, it appears that the maximum curtailment potential is on the order of 200kW and given the cost of upgraded meter service (interval meters required at a cost of \$13,000), the overall motivation for the pursuit is underwhelming. Manager Morrissey was authorized to pursue negotiations toward reducing outside / sunk costs associated with the interval meters, which is the current obstacle advancing forward momentum on curtailment.

12. Closed Session –

- a. San Joaquin River Settlement.*
- b. Discussion of potential costs associated with Delta engagement.*
- c. Mill Creek Issues*

The Board discussed the above items in closed session.

13. Return to Open Session.

The Board returned to open session at 3:28 P.M. without reportable action.

With no further business to discuss, the Board of Directors October meeting was adjourned at 3:30 P.M. with the next scheduled meeting to occur on Wednesday December 10, 2008 at 11:30 A.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

DRAFT

A meeting of the Board of Directors of the Orange Cove Irrigation District Financing Corporation was duly noticed as provided by law to be held at or near the hour of 11:30 A.M., December 10, 2008, at the office of the Orange Cove Irrigation District, 1130 Park Boulevard, Orange Cove, CA 93646. The meeting was called to order at 11:45 A.M., with the following Directors and Officers present:

Directors: Harvey A. Bailey, President
Henry A. Collin, III, Vice President
David A. Brown
Arlen D. Miller
Russell Katayama
Officers: Fergus A. Morrissey, Engineer-Manager
Others: John Sanders, Field Operations Supervisor

President Bailey asked if there were any errors or omissions to the minutes. Director Brown offered a motion to approve the minutes as prepared. The motion was seconded by Director Katayama and unanimously approved by the Board.

Appointment of new officers was then discussed. Director Katayama offered a motion to reaffirm Harvey A. Bailey, President; H.A. Collin, III, Vice President; Robert T. Ramirez, Chief Financial Officer and Assistant Secretary; and to appoint Manager Morrissey as Executive Director and Secretary. The appointment of new officers is for a two year term unless it becomes necessary for a new appointment in the interim. The motion was seconded by Director Miller and unanimously approved by the Board.

Under project status, Executive Director Morrissey reported that representatives of Wells Fargo would be present at a meeting to be held at 2:15 on this 10th day of December 2008, to discuss all of the issues associated with Refinancing of the 1996 Certificates of Participation. Executive Director Morrissey informed the Board that significant time had been spent on the preparation of documents associated with the aforementioned process including the recent presentation to Standard & Poor's that was necessary to receive a financial risk rating there from. Manager Morrissey informed the Board that the Orange Cove Irrigation District had received an A + rating from S&P. So as not to be redundant with information to be presented at the 2:15 meeting with Wells Fargo, Manager Morrissey suggested deferral of further discussion on the issue until that time. Manager Morrissey informed the Board, that at the meeting with Wells Fargo, it would be necessary, if determined appropriate, for the Board to adopt a resolution in order for the Refinancing of the 1996 COP's to be affected under acceptable financial parameters.

With no objections from the Board of Directors with this suggestion to defer discussion and with no further business to be discussed the meeting of the Board of Directors of the Orange Cove Irrigation District Financing Corporation was adjourned at 11:49 P.M.

Harvey A. Bailey, President

Fergus A Morrissey, Secretary

Minutes of the Regular Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, December 10, 2008. The Meeting was called to order at 11:50 A.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David Brown Russell Katayama Arlen D. Miller
Officers:	Fergus A. Morrissey, Engineer-Manager John Sanders, Operations Supervisor
Others:	None

1. Call to order

The regular Board of Directors meeting for December 2008 was called to order by Director Bailey at 11:50 A.M.

2. Additions to and approval of the Agenda.

Manager Morrissey suggested the following changes to the Agenda:

- Switching the order of Public Comment and Approval of Bills,
- Adding discussion of potential water transfers to item 7 of the Agenda (Monthly Report),
- Moving item 11 (the ACWA Report) to the end of the meeting,
- Adding a Closed Session discussion on Friant Issues to item 12,
- Adding a Closed Session discussion of San Joaquin River Settlement Issues to item 12 to immediately follow the preceding,
- Moving the Closed Session agenda item on Mill Creek to follow the above item and to precede the Closed Session Agenda Item on Personnel Issues.

In addition to these suggested changes, Manager Morrissey reminded the Board that the Regular Meeting would be recessed at approximately 2:15 to discuss with Wells Fargo, Refinancing of the 1996 Certificates of Participation.

The Agenda was approved as suggested in a motion by Director Collin. This motion was seconded by Director Brown. All Board members voted in favor to approve the agenda as suggested.

3. Approval of the Minutes

Director Brown offered a motion to approve the minutes as prepared, for both the November Regular Board of Directors Meeting and for the Special Board of Directors Meeting held on November 5th. Director Katayama seconded the motion and the Board expressed unanimous agreement.

4. Public Comment.

No members of the Public were present.

5. Approval of Bills.

Bills totaling \$232,861.84 were discussed. Manager Morrissey went over some of the atypical bills incurred by the District during the previous month. Included in this were the payments of water right fees to the State Water Resource Control Board, which Manager Morrissey noted, were made under letter protest by the Districts Attorney, Minasian Law Firm. Director Brown inquired as to the payment of \$85.18 to CCH products. Manager Morrissey noted that the Permit fee for erection of the communication tower on District property was paid to the City of Orange Cove, and that the permit was secured.

After discussion of the bills and the fact that there were no other notable expenditures of concern, Director Collin offered a motion to approve the bills. The motion was seconded by Director Miller and unanimously approved by the Board.

6. Election of Officers.

After a short discussion and the consensus that there was no need to alter the existing Officer appointments, it was motioned by the Director Katayama and seconded by Director Miller to maintain status quo. The Board did direct Manager Morrissey to provide, for the next Board Meeting, a status report on the officer term, in general, and specifically where each Board Member stood in relation to his term, as there was uncertainty amongst those present at the meeting as to these facts.

7. Monthly Report

Manager Morrissey went over the letter that he had sent to Gary Serrato, the General Manager of Fresno Irrigation District regarding the transfer of 2,400 acre feet of water to FID in 1995. Manager Morrissey indicated that the letter was sent about 2.5 weeks ago and he had as of yet not received a response to the District's inquiry regarding FID's position on the status of this transfer. Manager Morrissey indicated that he would discuss the issue personally with Mr. Serrato in the near future and that they were likely researching their records in order to provide any clarifying documentation, to the extent that it may exist.

Manager Morrissey went over the delinquent Stand-by and Water User Charges with nothing notable to report. Manager Morrissey then went over the water availability information, expressing that the District has approximately 8,000 acre feet of its contracted supply remaining. It was estimated that, subsequent to likely water use for frost protection during the winter, the District would likely carry over approximately 6,000 acre feet in Millerton for next years supply.

The discussion turned to annexation and detachment policy that is presently being developed by Manager Morrissey. It was suggested that an acreage limitation be added to the Policy under development, and to ensure that there was a requirement to ensure APN's and legal descriptions and Maps in a landowner's application for annexation. Discussed also was the difficulty of moving forward with the annexation of land originally requested by Ed Johnson (305.6 acres) without a rigorous or precise description of lands for which this request was made. The Board requested dissemination of the Policy under development to all Board Members and for Manager Morrissey to engage in a sit down discussion with those individuals involved in the Johnson annexation request, Mr. Ed Johnson and Mr. Walt Hayhurst.

Manager Morrissey indicated that he would be working with Wells Fargo staff developing a recommendation relative to the disposition of funds acquired through outside water sales during the year, as it may be beneficial to retain an amount in a reserve account to buy down 9d financing debt or just to have a healthy reserve account balance in order to improve the ratability of the District which will be important when it is time to finance this contract conversion. Manager Morrissey was asked the balance of the District in this regard and indicated that it was in the range of \$10 million dollars (the outstanding capital repayment indebtedness of the District to the Bureau). Subsequent to this analysis, Manager Morrissey will make a recommendation to the Board on the level of water rebates that should be made, and correspondingly the level of reserve account dollars.

Supervisor Sanders went over the monthly O&M report. He indicated that the permit to construct the antennae tower was secured by the City of Orange Cove and that the City had imposed the requirement of special inspections to be performed at critical construction points. Supervisor Sanders indicated that he was getting bids for inspection and reporting and at the time of the meeting the minimum bid was in the \$1,400 range.

Manager Morrissey indicated that Martin McIntyre, Manager of San Luis Water District would be coming in around 3:00 P.M. in order to go over a proposal to transfer water to his district, SLWD, next year. Manager Morrissey suggested that further discussion on this issue be delayed for his presence, but gave a brief insight into the proposal that SLWD was suggesting.

8. Electrical Power

Manager Morrissey briefly went over the status of the power generation facilities and informed the Board that there has yet to be a discussion with the Friant Power Authority regarding Little Dry Creek and the potential project. Manager Morrissey noted that this will be decided at the next FPA meeting, as there was not a meeting in November.

9. Draft OCID Rules and Regulations

Manager Morrissey went over some of the changes he considered should be made to the subject Rules and Regulations document. The Board was in general, in agreement with those changes and requested that additional focus be made on improving Section 3c. of the document. Manager Morrissey will work on a revised draft and send it out to the Directors in the next Board packet for the January regular BOD meeting for their consideration.

10. Refinancing of the 1996 Certificates of Participation

A general discussion of the process associated with the refinancing of the 1996 COP's was undertaken by Manager Morrissey. At 2:11 P.M. Wells Fargo Representative s; Trung Luc and Bond Counsel Jeffery Stava arrived at the meeting. What followed was a general discussion on the refinancing process, including a summary of the success of the presentation by Orange Cove Irrigation District at Standard & Poors which resulted in an A+ credit rating as well as the various documents that are necessary to implement the refinancing. Documents reviewed with the Board by Bond Counsel, included the Indenture of Trust, Escrow Instructions, Continuing Disclosure Agreement, and the Preliminary Official Statement of the District.

Following the discussion, the regular meeting of the Board of Directors was recessed at 3:10 P.M. for the Board to consider adopting a resolution to authorize moving the process forward through Wells Fargo, when market conditions are such that the Board's refinancing requirements have been met. Those requirements include a 3% net present value savings and elimination of the need to collect 125% of the annual debt service on an annual basis.

At 3:27 P.M. the regular meeting of the Board of Directors was reconvened.

11. Monthly Report (Continued Discussion on Water Transfer)

Mr. McIntyre had called the office, indicating that he would not be able to attend the BOD meeting to go over his water transfer proposal with the Board while the Board was engaged in the special meeting regarding the refinancing. As a result, Manager Morrissey conveyed the information to the Board Directly. The proposal by SLWD, advanced to Manager Morrissey by Mr. McIntyre, consists of establishing a formula to establish the purchase price for water next year at this time by applying a functional relationship between the CVP south of Delta allocation. The developed formula is:

a. $\$ \text{ per acre foot} = \{ \$150 + 4 \times (75 - \text{CVP Allocation } \%) + \text{District Cost} \}.$

After some discussion, the Board agreed to these terms and directed Manager Morrissey to begin working with SLWD Manager McIntyre on a contract for next water year.

12. Closed Session

The Board of Directors went into Closed Session at approximately 4:30 P.M. to discuss the following items:

- a. *Friant Issues*
- b. *San Joaquin River Settlement.*
- c. *Mill Creek Issues*
- d. *District Staff Issues*

The Board of Directors returned to Open Session at approximately 5:30 with the following reportable action:

Manager Morrissey was excused from the Board Meeting for an Executive Committee Meeting. Manager Morrissey has completed his six month probationary period and his retention and compensation adjustment was considered by the Board.

Upon Manager Morrissey's return to Closed Session, it was indicated that he has performed to the satisfaction of the Board of Directors and in Executive Committee it was decided that Manager Morrissey's annual compensation was to be increased by \$20,000 annually effective December 1, 2008.

13. ACWA Report

Director Collin provided the Board members with a discussion of the highlights of the ACWA Fall Conference held in Long Beach.

With no further business to discuss, the Board of Directors October meeting was adjourned at 5:50 P.M. with the next scheduled meeting to occur on Wednesday January 14, 2009 at 11:30 A.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary

Minutes of the Special Meeting of the Board of Directors of the Orange Cove Irrigation District held on Wednesday, December 10, 2008. The Meeting was called to order at 3:10 P.M., with the following Directors and Officers present:

Directors:	Harvey A. Bailey, President Henry A. Collin, III, Vice President David Brown Russell Katayama Arlen D. Miller
Officers:	Fergus A. Morrissey, Engineer-Manager John Sanders, Operations Supervisor
Others:	Jeffery Stava, Nossaman & Associates, Bond Counsel
None	Trung Luc, Wells Fargo

1. Call to order

The special meeting of the Board of Directors meeting was called to order by Director Bailey at 3:10 P.M.

2. Additions to and approval of the Agenda.

A motion was made to approve the Agenda as submitted by Director Katayama. This motion was seconded by Director Brown and all voted in favor.

3. Public Comment.

No members of the Public, outside of Wells Fargo representatives, were present.

4. Refinancing of 1996 Certificates of Participation

During the Regular Board Meeting of this day, the Board reviewed various documents necessary to refinance the District's 1996 Certificates of Participation, including without limitation a Bond Purchase Contract between the District and Wells Fargo Institutional Securities, LLC, an Indenture of Trust between the District and a trustee to be identified, Escrow Instructions for the Orange Cove Irrigation Financing Authority, a Continuing Disclosure Agreement between the District and the trustee, and a Preliminary Official Statement.

The Board took action by approving Resolution 2008-3 under a motion by Director Collin with the following contingency:

The understanding that "Net Revenues", as defined in the refinancing documents, includes reserves which, under this allowance, allows such Reserve balance to be considered in lieu of imposing a rate covenant on collection of funds necessary to meet the debt service coverage.

This motion was seconded by Director Brown and unanimously approved by the Board.

With no further business to discuss, this special Board of Directors meeting was adjourned at 3:25 P.M.

Harvey A. Bailey, President

Fergus A. Morrissey, Secretary