

MINUTES of the Regular Meeting of the Board of Directors of the Root Creek Water District held at 2:11 p.m., Monday, August 11, 1997 at the office of the District, located at 39639 Avenue 10, Madera, California.

DIRECTORS PRESENT: Rodger B. Jensen, President
 Benton H. Coulthard, Vice President
 Philip R. Pierre
 Dave Cobb
 Al Bates, Secretary

OTHERS PRESENT: Jim Provost, Manager - Engineer
 Chris Campbell, Attorney
 Deborah Messer, Assistant Secretary

MINUTES

President Jensen asked if there were any corrections to the April 14, 1997 meeting minutes which had just been distributed. Due to a full agenda, it was felt that there was not sufficient time to thoroughly review the minutes. Upon motion of Director Coulthard, seconded by Director Pierre, it was approved that the minutes of the April 14, 1997 meeting would be acted upon at the next regular Board meeting.

ACCEPTANCE OF PETITIONS TO AUTHORIZE SPECIAL ASSESSMENT

The Board heard a report from Mrs. Messer regarding the petitions to authorize special assessment. The following petitions have not been received: Cobb, Donald Pittman, and Jhaglassian. Director Coulthard reported that Donald Pittman said he would sign and return the petition. Director Coulthard will call Mr. Pittman and follow-up. Director Cobb reported that he would obtain the necessary signatures for the Cobb petition. Mrs. Messer reported that she had spoken with Mrs. Jhaglassian regarding the petition and that Mrs. Jhaglassian was signing and mailing it. Mrs. Messer will call Mrs. Jhaglassian to follow-up. Mr. Campbell stated that if all petitions are not signed and returned, the District will need to hold a public hearing regarding the special assessment. Mr. Provost stated that today's actions, however, can be taken pending receipt of the outstanding petitions.

1997-98 BUDGET

Mr. Provost distributed the proposed 1997-98 Fiscal Year Budget. There was a short discussion regarding the potential expense in each area. Upon motion of Director Coulthard, seconded by Director Bates, the Board unanimously approved the 1997-98 Fiscal Year Budget of \$27,700.00 which is attached to and made a part of these minutes.

1997-98 SPECIAL ASSESSMENT

Mr. Provost presented to the Board the proposed 1997-98 Assessment Book which lists all lands and each separate parcel thereof within the District, the name of the head holder of title to each separate parcel of land within the District, and a description of each separate parcel of land within the District. He stated that the District needs to raise \$27,700.00 to fund the District's operational expenses as estimated in the 1997-98 Fiscal Year Budget. Mr. Provost also stated that a special assessment of \$3.00 upon each acre of land within the District would be sufficient to raise the sum specified in the annual estimate of operational expenses. There was some discussion as to how the assessment would be levied in light of the pre-formation commitment to landowners that no landowner will be required to pay an assessment until that landowner receives a benefit from the District. It was suggested that the landowners return their invoice to S & J Ranch for payment and then proof of payment be sent to each landowner. It was also suggested that proof of payment be mailed with each invoice. Upon motion of Director Coulthard, seconded by Director Cobb, the Board unanimously voted to adopt Resolution No. 97-2 which is attached to and made a part of these minutes to 1) accept the 1997-98 Assessment Book, 2) set the Special Assessment Rate at \$3.00 upon each acre of land within the District, and levee the Assessments, and 3) that proof of payment is to go with each invoice mailed.

Upon motion of Director Pierre, seconded by Director Bates, it was voted to instruct Mr. Provost to notify the Clerk of the Board of Supervisors that the District is going to collect its own assessments. A copy of such notice is attached and made a part of these minutes.

THE GUALCO GROUP

Mr. Campbell reported that he was negotiating with The Gualco Group to find a figure upon which to settle this account. To date, S & J Ranch, on behalf of the District, has paid Gualco \$16,616.85 and Gualco states there is a balance of \$15,165.88 outstanding. Mr. Campbell stated that he would propose a settlement to reflect the actual hours worked, at Gualco's rate, plus expenses. President Jensen proposed to settle the account by paying Gualco an additional \$5,000 (approximately) to bring it to \$20,000 as originally agreed upon. Upon motion of Director Coulthard, seconded by Director Bates, the Board voted to approve settlement of this account at the amount originally agreed upon, \$20,000, and Mr. Campbell was instructed to draw up a resolution of the Board's action regarding this matter.

FRIANT WATER USERS ASSOCIATION

Mr. Campbell and Mr. Provost reported on meetings they have had with the Friant Water Users Association. Mr. Campbell reviewed the different rights under water surface contracts versus riparian rights contracts. He stated that discussions appear to be heading in a positive direction but there is still work to be done. Mr. Provost reported that in speaking with Dick Moss regarding surface water contracts, he felt that there may be a chance of modifying the holding contracts. It was suggested and agreed that no action be taken until everything is carefully reviewed.

GROUNDWATER MANAGEMENT PLAN

Mr. Provost asked if there were any revisions to a draft groundwater management plan which had been submitted under separate memo. He reviewed the commitments under the draft groundwater management plan and stated that the District has to place an ad in the paper for a public hearing to adopt a plan. The Board instructed Mr. Provost to place an ad in the paper and set a public hearing for the next regular Board meeting, October 13, 1997, at 2:30 p.m. Mr. Provost then requested that any comments or revisions to the proposed plan be submitted to him prior to the next Board meeting.

WATER EDUCATION FOUNDATION

Mr. Provost presented a proposal to support the Water Education Foundation at a cost of \$100 annually. Since the Board members are familiar with the Foundation, there was very little discussion. Upon motion of Director Pierre, seconded by Director Bates, the Board voted to support the Water Education Foundation with a \$100 contribution annually.

INVESTMENT POLICY

Mr. Provost proposed an investment policy which would guide the District in investing the public funds invested in a prudent financial manner. Upon motion of Director Bates, seconded by Director Cobb, the Board adopted a Statement of Investment Policy, a copy of which is attached to and made a part of these minutes,

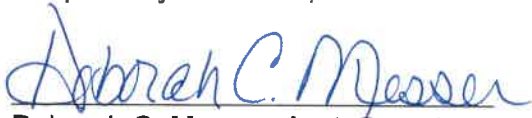
OTHER BUSINESS

The next Board meeting will be on October 13, 1997.


ADJOURNMENT

There being no further business to come before the Board, President Jensen adjourned the meeting at 3:58 p.m.

Respectfully submitted,


Deborah C. Messer, Asst. Secretary

Approved:


Rodger B. Jensen, President

ROOT CREEK WATER DISTRICT
1997-1998 FISCAL YEAR BUDGET

BOARD MEETINGS (prepare for and attend 4 meetings)

Manager - Engineer	(\$600/each)	\$ 2,400
Attorney	(\$900/each)	3,600
Board of Directors		<u>-0-</u>
Subtotal		\$ 6,000

DISTRICT MANAGEMENT

Manager-Engineer Misc.		2,500
ACWA Membership		775
Other Memberships		250
Audit		<u>350</u>
Subtotal		\$ 3,875

FRIANT WATER

Special Consultant		2,000
Attorney		5,000
Manager-Engineer		<u>2,500</u>
Subtotal		\$ 9,500

CLERICAL & EXPENSES

Clerical		1,000
Expenses		<u>200</u>
Subtotal		\$ 1,200

CONTINGENCY & DEBT

7,125

TOTAL BUDGET **\$27,700**

**ROOT CREEK WATER DISTRICT
1997 SPECIAL ASSESSMENT**

WHEREAS, this Board of Directors has received a petition, signed by each of the landholders of the District, to adopt a special assessment to fund the District's operational expenses; and

WHEREAS, this Board of Directors has estimated the District's operational expenses, to be incurred for the general benefit of all of the lands in the District, to be approximately \$27,700.00 per year; and

WHEREAS, the Assessor of said District has listed in the 1997 Special Assessment Book, all lands and each separate parcel thereof within the District, the name of head holder of title to each separate parcel of land within the District, and if unknown, that fact is stated, a description of each separate parcel of land within the District sufficient to identify it; and

WHEREAS, the total of said lands within the District is 9,233.51 acres.

NOW, THEREFORE, BE IT, AND IT IS HEREBY, RESOLVED, as follows:

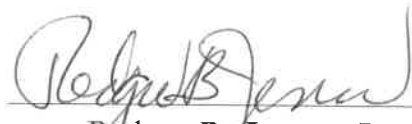
1. The special assessments set forth in the Root Creek Water District 1997 Special Assessment Book are equal, fair and just and represent the landholders acreage; and

2. The rate of special assessment of \$3.00 upon each acre of the land within Root Creek Water District, which rate is sufficient to raise the sum specified in the annual estimate of operational expenses, and the same is hereby, fixed, ordered, and levied; and


3. The minimum assessment on any one parcel shall be rounded up to \$3.00 if the actual calculations is greater than \$1.50 and rounded to \$0.00 if the actual calculation is less than \$1.50; and

4. This Board hereby assesses the lands within Root Creek Water District which have escaped assessment in prior years in the amounts set forth in the 1997 Special Assessment Book.

ADOPTED, SIGNED AND APPROVED this 11th day of August, 1997.


Rodger B. Jensen, President
Root Creek Water District

ATTEST



Al Bates, Secretary
Root Creek Water District

CERTIFICATE OF SECRETARY

I hereby certify that I am the Secretary of Root Creek Water District and that the foregoing Resolution was duly adopted by the Board of Directors of said District at the Regular Meeting duly held in Fresno, California on Wednesday, August 11, 1997, at which meeting a quorum of said Board of Directors was at all times present and acting.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said District this 18th day of August, 1997.

(DISTRICT
SEAL)


Al Bates, Secretary
Root Creek Water District

**STATEMENT OF INVESTMENT POLICY FOR
ROOT CREEK WATER DISTRICT
(Adopted by the Board of Directors on August 11, 1997)**

In accordance with State law, the District is guided by three objectives in its investment of public funds. The first objective is to safeguard principal. The second objective is to ensure that investments satisfy the liquidity needs of the District, and the third objective is to obtain a return on the public funds invested.

Therefore, it is the policy of the Board of Directors, and the Treasurer is hereby instructed, to invest all District funds only in the following secure and reliable investments:

- a. Bank or savings and loan association accounts fully insured by the Federal Deposit Insurance Corporation;
- b. California Local Agency Investment Funds; and/or,
- c. Madera County investment pool.

Further, when depositing District funds in the above investments, the Treasurer is directed to deposit those funds with the objective of realizing the maximum return possible, consistent with prudent financial management. No investment with a term in excess of five years may be made by the Treasurer without express authority from the Board.

The Treasurer shall make a quarterly investment report to the Manager and the Board of Directors. The report shall be submitted to the Manager and Board of Directors within 30 days of the end of each quarter. Each report shall include the most recent financial statements from each District investment and shall be consistent with all applicable reporting requirements established by law. In addition, each report shall include statements regarding:

- a. Whether the District's investments are in compliance with this Statement of Investment Policy, and if not, why; and
- b. The ability of the District to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money shall or may not be available; and
- c. Any other information or data requested by the Board of Directors.