



**MINUTES OF THE  
BOARD OF DIRECTORS MEETING  
OF THE TURLOCK IRRIGATION DISTRICT**

Turlock, California  
17 January 2017

The meeting of the Board of Directors of the Turlock Irrigation District was called to order at 9:00 a.m. in regular session on the 17<sup>th</sup> day of January 2017. Present were: Directors Joe Alamo (President), Charles Fernandes (Vice-President), Michael Frantz (Secretary), and Ron Macedo, General Manager Casey Hashimoto and Deputy Secretary to the Board Dorinda Soiseth. Absent: Director Rob Santos.

**SALUTE TO THE FLAG**

**MOTION APPROVING CONSENT CALENDAR**

Moved by Director Fernandes, seconded by Director Macedo, that the consent calendar consisting of the following be approved:

- A. Minutes of the regular meeting of January 10, 2017.
- B. Demands against the District represented by check numbers 359541 to 359766 in the amount of \$8,925,949.18.

All voted in favor with none opposed (Director Santos was absent). The President declared the motion carried.

**PUBLIC COMMENT PERIOD**

April Premo provided the Board with a copy of the second letter she submitted to the State Water Resources Control Board regarding her ADA accommodation request.

**PUBLIC HEARING**

A public hearing was opened at 9:04 a.m. to receive comments from the public regarding the proposed inclusion into ID No. 07950, known as the Arsenio. Hearing no comments from the public, the hearing was closed at 9:05 a.m. and the following action was taken:

**RESOLUTION NO. 2017 - 2**

**RESOLUTION OF FINAL ORDER OF THE TURLOCK IRRIGATION DISTRICT  
BOARD OF DIRECTORS APPROVING INCLUSION OF ADDITIONAL LAND INTO  
IMPROVEMENT DISTRICT NO. 07950, KNOWN AS THE ARSENIO**

WHEREAS, the Board of Directors of the Turlock Irrigation District on January 17, 2017 at 9:00 a.m., held a public hearing on the petition for inclusion of additional land into Improvement District No. 07950, known as the Arsenio, under the provisions of Part 7, Division 11, of the California Water Code.

Based upon the evidence presented at the public hearing, the Board finds:

1. All of the land owners of the parcel described in attached *Exhibit A* to be included have signed a petition for inclusion and have properly filed the petition with the Board. The petition is incorporated herein by reference.

2. The District's Water Resources Administration, in accordance with a Board resolution, has properly prepared a Report of Survey of the proposed inclusion, an Estimate of Cost of the Inclusion, and the Statement of Proposed Charge for inclusion into the improvement district.

3. Proper and timely notice of the public hearing was given in accordance with California Water Code Section 23646 and/or the California Constitution.

4. The land, which the Board finds should be included, is described in the attached *Exhibit A* and incorporated herein by reference.

5. The land to be included within the improvement district will be benefited by the improvement district facilities.

6. Two Thousand, One Hundred Seven and 58/100 dollars (\$2,107.58) is a just charge, which the landowner must pay as a prerequisite for the land being included into the improvement district, and that land title holder will deposit that amount of money with the Executive Secretary of the Board for payment of that charge before recordation of the Final Order.

7. The Board tabulated the ballots submitted and determined no majority protest exists.

8. The landowners have agreed to pay all future assessments levied upon the land by the Turlock Irrigation District for the maintenance and operation of the improvement district.

9. It will be in the best interests of the Turlock Irrigation District and the improvement district to allow the land described in *Exhibit A* to be included in the improvement district.

NOW, THEREFORE BE IT HEREBY ORDED AND DECREED by the Board of Directors of the Turlock Irrigation District that the petition for the inclusion of additional land into Improvement District No. 07950 is hereby approved, and that the lands described in *Exhibit A* is hereby included within the improvement district.

Moved by Director Frantz, seconded by Director Fernandes, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: Directors Fernandes, Frantz, Macedo and Alamo  
Noes: Directors None  
Absent: Director Santos

The President declared the resolution adopted.

### **WEEKLY UPDATES**

Jason Carkeet, Utility Analyst, reported on current water conditions. Accumulated precipitation measured at the three mountain stations in the Tuolumne River watershed from September 1, 2016 to present total 30.55 inches, or 194.1 percent of normal to date. Computed natural flow is averaging 17,174 cfs. San Francisco reservoirs contain 586,285 acre-feet. Don Pedro contains 1,819,963 acre-feet. Average combined releases are at 5,128 cubic feet per second with 30 cfs going to TID, 01 cfs to Modesto Irrigation District, and the remaining 5,098 cfs going to the Tuolumne River. Don Pedro Water Bank is at 634,982 acre-feet and Turlock Lake contains 17,320 acre-feet of water. There was discussion about when the river would be out of the flood control stage.

Director Frantz momentarily left the meeting.

### **MOTION APPROVING APPLICATION FOR INSTALLATION OF A 15-INCH SIDEGATE IN THE HIGHLINE CANAL BY RUBEN RAMIREZ**

Moved by Director Macedo, seconded by Director Fernandes, that the application of Ruben Ramirez, dated January 11, 2017 for installation of one 15" sidegate in Turlock Irrigation District's Highline Canal, be approved.

Directors Fernandes, Macedo and Alamo voted in favor with none opposed (Director Santos was absent; Director Frantz not present for this vote). The President declared the motion carried.

Director Frantz returned to the meeting.

### **POWER SUPPLY ADMINISTRATION REPORT**

Brian LaFollette, Assistant General Manager Power Supply, provided a review of the 2017 major projects related to the Power Tunnel. The three major project areas are the Fixed Wheel Gate, the Power Tunnel Bulkhead Gate, and the Turbine Shutoff Valve (TSV) 4. The budget is \$7 million and the work is scheduled to begin in the fall and take about 45 – 90 days to complete. The Fixed Wheel Gate is the only gate that will close flow to the power tunnel and is a critical gate for outages. He explained how it functions and said this is the first time it has been refurbished and overhauled. The factory acceptance tests have been done and the new gate has been delivered. The old gate will be removed and taken to the Broadway Yard. A member of the Board asked if the new gate will be under water. Brian responded that the gate is submerged at all times. The status of the TSV 4 is that an identical gate was not available, so a new one had

to be ordered and is expected by the end of February, 2017. The Bulkhead Gate is expected by the end of March, 2017.

## **GENERAL MANAGER'S REPORT**

General Manager Casey Hashimoto had no items to report.

## **BUSINESS OF THE BOARD**

There was none.

## **MOTION ADJOURNING TO CLOSED SESSION**

Moved by Director Fernandes, seconded by Director Frantz, that the Board of Directors adjourn to closed session:

### **1. Conference with Legal Counsel – Anticipated Litigation**

California Government Code Section 54956.9(d)

Anticipated litigation: one potential case

- Steve Boyd, Director of Water Resources and Regulatory Affairs
- Art Godwin, Legal Counsel

All voted in favor with none opposed (Director Santos was absent). The President declared the motion carried.

## **REPORT OF ACTION TAKEN IN CLOSED SESSION**

The President declared no reportable action was taken in closed session.

## **RECESS**

Director Alamo called a 5-minute recess.

## **RECONVENE**

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened in open session in Conference Room 172 with all officers present as per the previous session.

## **ENERGY IMBALANCE MARKET WORKSHOP**

Jim Farrar, Director of Energy Markets, provided an overview of the Energy Imbalance Market (EIM). It has operated since 2014 by California ISO with PacifiCorp as the initial participant, and NV Energy, Arizona Public Service and Puget Sound Energy now participating. According to CAISO, gross benefits to EIM participants would be \$88 million over the first 20 months of participation. The EIM is basically an extension of the existing CAISO real time market. Bi-lateral trading can still take place, but earlier under an EIM scenario. Participants

must submit a base schedule showing that sufficient resources are available to meet the load. Bids (cost curves) are submitted indicating the permissible operating range of units. The market optimizes the resources in the market subject to transmission and other constraints. There is a relatively complex settlement process using 15 minute and 5 minute market prices for the load and generation.

There are prices for each generator location called the locational marginal price that is made up of the energy price which is the same across all locations; components for losses and congestion costs (due to transmission limitations); outside of California, there will be separate pricing for greenhouse gas emissions. This will allow a process to be established that allows the market to meet the requirements of the Air Resource Board and still optimize the generation based on competitive bids.

The EIM will not address ancillary services and will not make day-ahead decisions. It will look out as far as three hours to enable decision affected by minimum run times. Key to the functioning of the market is that each participating Balancing Authority will enter the hour full resourced. There will be no changes to the Balancing Authority requirements. Although there is a small charge for energy dispatched by the market, there are no transmission charges imposed on market activities. Potential benefits are sales and purchase opportunities and avoiding internal costs.

Mr. Farrar advised that to evaluate the cost of joining the EIM, the District hired Utilicast to look at four internal cost alternatives: status quo; joining a larger BA; participating in an EIM Sub-hourly market; and participating in the CAISO as a full PTO. To determine the benefits of joining the EIM, TID reviewed historical operations and estimated how production costs could change mostly using hourly prices and dispatch. Considerations should include the possible need for additional employees, software upgrades, will this help us to integrate renewables and will it be cost effective. Additional considerations include the effect on local control and existing contracts, and the durability of the EIM.

Staff's recommendations are to pursue discussions with the CAISO, work with SMUD/BANC regarding mutually beneficial EIM matters, and to put TID in a position where it could be prepared to join the EIM as early as 2020. No action was taken by the Board.

#### **MOTION TO ADJOURN**

Moved by Director Frantz, seconded by Director Macedo that the regular meeting of the Board of Directors be adjourned.

The President declared the motion carried.

*Dorinda Soiseth*  
**Deputy Secretary to the Board of Directors**