



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

Turlock, California
31 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 31st day of January 2017. Present were: Directors Joe Alamo (President), Charles Fernandes (Vice-President), Rob Santos and Ron Macedo, and Executive Secretary to the Board Tami Wallenburg. Absent were: Director Michael Frantz and General Manager Casey Hashimoto.

SALUTE TO THE FLAG

MOTION APPROVING CONSENT CALENDAR

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

- A. Minutes of the regular meeting of January 17, 2017.
- B. Demands against the District represented by check numbers 359767 to 360155 in the amount of \$32,775,478.60.

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

PUBLIC COMMENT PERIOD

Concerned citizen Raul Garcia of Delhi commented on a drowning which occurred in October of 2016 and made reference to a 2004 board resolution regarding canal fencing. He thanked the board for the time to express his concerns.

Customer Joe Sallaberry thanked the board for coming to an amenable 25-year agreement involving Gomes Lake. He also distributed a copy of a letter he recently submitted to the state water board regarding fish habitat. Mr. Sallaberry also expressed concern regarding several holes located near the pump discharge area at Gomes Lake.

CERTIFICATE OF RETIREMENT

Electrical Engineering and Operations Department Manager Ed Jeffers reviewed the work history of Steve Chambers, Senior Energy Specialist, who recently retired. Mr. Chambers held several positions throughout his 30 years of employment with the district, most recently in energy diversion, security badges and card readers. Mr. Jeffers said Steve always performed the highest

quality of work and he was proud to have worked with him these past few years. He also noted that Steve began his career with two children and now enjoys 12 grandchildren. Mr. Chambers stated he has had a great career working with good people and he feels blessed to have been a part of TID.

WEEKLY UPDATES

Line Division Manager John Rover presented the monthly report for the electrical engineering and line department. The monthly average for time customers were without power (due to outages) was approximately two minutes in December. The SAIDI (System Average Interruption Duration Index) figure for December was 56.5. SAIDI totals the duration of each outage then divides it by the customer base, and is considered a commonly used formula in the industry. Major outage contributors in December show equipment failure caused 36 percent, tree interference at 35 percent, and vehicle altercations at 15 percent. Electrical engineering received 33 customer requests with approximately 16 of those sent to the Line Department for completion. Construction lead time averaged 3 weeks in December due to holidays and employee vacation periods. The crew structure in December was at two 5-person crews, three 4-person crews, one 3-person crew and one 5-person contract crew. The majority of crews worked on capital projects with one crew concentrating on maintenance and customer work.

Bill Bacca, Trading and Scheduling Division Manager, reviewed operations for the week of January 20-26. The daily system peak, including partial required sales, reached 312.3 megawatts on January 24. The load was met with TID Hydro and thermal generation, short and long-term firm, renewables and spot purchases. Total renewables of TID retail energy sales plus losses were at 3percent. The Tuolumne Wind Project (TWP) generated 2,819 MWh's during this time period at the Willis Substation. Natural gas prices at Pacific Gas & Electric Company's Citygate were \$3.58/mmBTU. Electric operations for this period show Walnut Energy Center was fully operational with Unit 2 off line for economics, Boardman was online, Almond ran one day for operations, and Don Pedro Unit 4 remains out of service until further notice.

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 36.65 inches, or 194.8 percent of normal to date. Computed natural flow is averaging 11,141 cfs. San Francisco reservoirs contain 560,322 acre-feet. Don Pedro contains 1,809,271 acre-feet. Average combined releases are at 8,031 cubic feet per second with 1 cfs going to TID, 0 cfs to Modesto Irrigation District, and the remaining 8,029 cfs going to the Tuolumne River. Don Pedro Water Bank is at 629,636 acre-feet and Turlock Lake contains 17,660 acre-feet of water. A customer asked how long the district projects current flows will remain at the current elevated level. Mr. Carkeet stated that releases will probably remain through April, possibly longer, though the objective is to keep it below flood control space to allow for the anticipated snow runoff.

MOTION APPROVING APPLICATION FOR INSTALLATION OF A 15-INCH SIDEGATE IN THE UPPER LATERAL 4 CANAL BY BLUE DIAMOND GROWERS

Moved by Director Santos, seconded by Director Fernandes, that the application of Blue Diamond Growers, dated January 23, 2017 for installation of one 15" sidegate in Turlock

Irrigation District's Upper Lateral 4 Canal be approved.

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

RESOLUTION NO. 2017 - 3
RESOLUTION APPROVING ABANDONMENT
FROM IMPROVEMENT DISTRICT

WHEREAS, the holders of title to land named in attached Exhibits A and B desire to abandon their rights in improvement districts within the Turlock Irrigation District and have signed Agreements to Abandon Use of Improvement District Facility, which agreements are incorporated into this resolution by reference.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Turlock Irrigation District, acting as trustees for the improvement districts named in attached Exhibits A and B, do hereby approve the Agreements to Abandon Use of Improvement District Facility signed by the holders of title to land.

BE IT FURTHER RESOLVED that the Executive Secretary or Deputy Secretary of the Board of Directors is authorized and directed to sign the agreements on behalf of the District and to record said agreements with the appropriate County Recorder.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

MOTION ADJOURNING FOR A MEETING OF THE
WALNUT ENERGY CENTER AUTHORITY

Moved by Director Fernandes, seconded by Director Macedo, that the regular meeting be adjourned for a meeting of the Walnut Energy Center Authority.

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

RECONVENED

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:35 a.m. with all officers present as per the previous session.

**MOTION ADJOURNING FOR A MEETING OF THE
TUOLUMNE WIND PROJECT AUTHORITY**

Moved by Director Santos, seconded by Director Fernandes, that the regular meeting be adjourned for a meeting of the Tuolumne Wind Project Authority.

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

RECONVENED

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:37 a.m. with all officers present as per the previous session.

RESOLUTION NO. 2017- 4

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TURLOCK IRRIGATION DISTRICT MAKING CERTAIN DETERMINATIONS
WITH RESPECT TO REIMBURSEMENT OF ADVANCES AND PROPOSED
ADVANCES FOR CAPITAL PROJECTS FROM TID’S GENERAL AND/OR CAPITAL
RESERVES FROM THE PROCEEDS OF TAXABLE OR TAX-EXEMPT DEBT**

WHEREAS, Turlock Irrigation District (“the District” or “TID”) has already or intends to build, construct, purchase, and improve those certain projects more fully described in attached Exhibit A (the “Projects”); and

WHEREAS, the District has paid or expects to pay certain capital expenditures in connection with the Projects by the issuance of taxable or tax-exempt indebtedness to be used to finance such expenditures; and

WHEREAS, the District is authorized to incur or issue debt obligations to finance costs of the Project; and

WHEREAS, the District anticipates it will issue debt obligations for the purpose of financing costs of the Projects on a long-term basis; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the District to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a taxable or tax-exempt borrowing.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District as follows:

Section 1. The Board of Directors of the District finds and determines that the foregoing recitals are true and correct.

Section 2. This Resolution is adopted by the Board of Directors of District solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury

Regulations. This Resolution does not bind TID to make any expenditures, incur any indebtedness, or proceed with the Projects.

Section 3. The Board of Directors expects the District will pay certain capital expenditures in connection with the Projects prior to the issuance of taxable or tax-exempt indebtedness for the Projects. The reimbursement of such project expenditures is consistent with the District's established budgetary and financial circumstances. As of the date hereof, the Board of Directors of the District reasonably expects that such project expenditures shall be paid from District's Reserves. The Board of Directors of the District does not expect that moneys in the District's General or Capital Reserves temporarily used to pay such project expenditures will be permanently available for the Projects. Other than proceeds of taxable or tax-exempt indebtedness to be issued for the Projects, there are no funds or sources of moneys that have been, or reasonably are expected to be, allocated, reserved, or otherwise made available on a long-term basis pursuant to the District's budget to pay costs of the Projects.

Section 4. Project expenditures that are to be reimbursed to the District shall not have been paid from proceeds of any other tax-exempt indebtedness.

Section 5. The Board of Directors of the District hereby declares the District's official intent to use proceeds of taxable or tax-exempt indebtedness to reimburse itself for future project expenditures. The Board of Directors of the District reasonably expects that such indebtedness will be secured by and payable from revenues of the Projects.

Section 6. This Resolution shall be continuously available for inspection by the general public during normal business hours at the offices of TID located at 333 East Canal Drive, Turlock, California, commencing on January 31, 2017.

Section 7. This Resolution shall take effect from and after its adoption.

Moved by Director Santos, seconded by Commissioner Macedo, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

**MOTION ACCEPTING TREASURER'S REPORT ON
TURLOCK IRRIGATION DISTRICT'S INVESTMENT PORTFOLIO AND
SUMMARY OF INVESTMENT ACTIVITY**

Moved by Director Fernandes, seconded by Director Macedo, that the Investment Portfolio dated December 31, 2016 which was prepared by Public Financial Management, Inc.

for the Turlock Irrigation District (District) and reviewed by the Board of Directors be hereby accepted, and that the Board of Directors hereby acknowledges the opinion of Treasurer Joseph E. Malaski, confirming the Investment Portfolio is in compliance with the District's Investment Policy and verifying the District has the ability to meet budgeted expenditures for the next six months.

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

BUSINESS OF THE BOARD

Director Macedo reported on his attendance at the annual CMUA Capitol Day event the previous day. Also in attendance were General Manager Casey Hashimoto, AGM External Affairs Michelle Reimers and Legislative Analyst Josh Weimer. Several keynote speakers spoke during the event on numerous topics impacting the state. District staff also met with local legislators and lobbyists from our area.

MOTION TO ADJOURN

Moved by Director Fernandes, seconded by Director Santos that the regular meeting of the Board of Directors be adjourned.

The President declared the motion carried.

Tami Wallenburg
Executive Secretary to the Board of Directors