



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

Turlock, California
6 June, 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 6th day of June 2017. Present were: Directors Joe Alamo (President), Charles Fernandes (Vice-President), Michael Frantz (Secretary), Rob Santos (via teleconference) and Ron Macedo, General Manager Casey Hashimoto and Executive Secretary to the Board Tami Wallenburg.

SALUTE TO THE FLAG

MOTION APPROVING CONSENT CALENDAR

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

- A. Minutes of the regular meeting of May 16 and the special meeting of May 23, 2017.
- B. Demands against the District represented by check numbers 363291 to 363832 in the amount of \$16,764,494.59.

All voted in favor with none opposed (Director Santos voted yes via teleconference). The President declared the motion carried.

PUBLIC COMMENT PERIOD

There was none.

WEEKLY UPDATES

Bill Bacca, Trading and Scheduling Division Manager, reviewed operations for the week of May 26 – June 1. The daily system peak, including partial required sales, reached 402.7 megawatts on June 1. The load was met with TID Hydro, thermal generation, short and long-term firm, renewables and spot purchases. Total renewables of TID retail energy sales plus losses were at 27 percent. The Tuolumne Wind Project (TWP) generated 4,918 MWh’s during this time period at the Willis Substation. Natural gas prices at Pacific Gas & Electric Company’s Citygate were \$3.35/mmBTU. Electric operations for this period show Walnut Energy Center was fully available with Unit 1 on automated generation control; Boardman was offline for economics; Almond ran all week for operations and economics and Don Pedro Unit 4 remains out of service until further notice.

Mike Kavarian, Water Distribution Department Manager, reviewed irrigation activity for the month of May. Water orders taken in May totaled 8,247. Activity for this period show flows ranged between 1,165 and 895 cfs. The call center received 2,012 orders for the week of May 29 through June 4. Daily releases from Turlock Lake averaged at 1,025 cfs, 319 cfs below projections. Mr. Kavarian noted the season has been a bit challenging for staff as the weather fluctuates and flows are constantly being adjusted to accommodate that as well as issues involving the SBX7-7 implementation for customers. Currently, 44 pumps are available to run but there hasn't been a need. These will be used sparingly when needed to alleviate stress on groundwater levels. Spills are at 8-10 percent which Mr. Kavarian stated is good when considering the amount of water in the system.

RESOLUTION NO. 2017 - 33

**RESOLUTION APPROVING ABANDONMENT
FROM IMPROVEMENT DISTRICT**

WHEREAS, the holders of title to land named in attached Exhibit A desires to abandon their rights in the improvement district within the Turlock Irrigation District and have signed Agreement to Abandon Use of Improvement District Facility, which agreement is 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 district named in attached Exhibit A, do hereby approve the Agreement 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 agreement on behalf of the District and to record said agreement with the appropriate County Recorder.

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, Santos, Frantz, Macedo, Alamo
Noes:	Directors None
Absent:	Directors none

The President declared the resolution adopted (Director Santos voted via teleconference).

RESOLUTION NO. 2017 - 34

**RESOLUTION AUTHORIZING SURVEY AND PREPARATION OF CHARGES
FOR PROPOSED ASSESSMENT OF PROPOSED INCLUSION INTO
IMPROVEMENT DISTRICT NO. 08460, KNOWN AS THE DIAS**

WHEREAS, a petition for the inclusion of additional land into Improvement District No. 08460, having been received by the Board of Directors of the Turlock Irrigation District, which petition was properly filed and signed by all the owners of the additional land in accordance with California Water Code Section 23875-23876.

NOW, THEREFORE BE IT HEREBY ORDERED that the Turlock Irrigation District's Water Resources Administration make a survey of the proposed inclusion. If, upon completion of such survey, the Water Resources Administration finds that the proposed inclusion is feasible, the Water Resources Administration is further ordered to prepare a statement of the proposed charge for such inclusion according to the benefits that will accrue to each parcel of land proposed to be included into the improvement districts.

IT IS FURTHER ORDERED that any survey and statement of proposed charge prepared pursuant to this resolution be filed with the Executive Secretary of the Turlock Irrigation District and said documents shall be subject to the inspection of all interested parties.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted (Director Santos voted via teleconference).

RESOLUTION NO. 2017 - 35

RESOLUTION AUTHORIZING SURVEY OF PROPOSED IMPROVEMENTS IN PROPOSED IMPROVEMENT DISTRICT NO. 15870, TO BE KNOWN AS THE MORA-TAVERNAS PUMP

WHEREAS, a petition for the formation of Improvement District No. 15870 has been received by the Board of Directors of the Turlock Irrigation District, the petition was properly filed and signed by the holders of title, or evidence of title, of at least two-thirds or more of the acres of all the tracts of land situated within the boundaries of the proposed improvement district, for the purpose of forming the improvement district within the Turlock Irrigation District under the provisions of Part 7, Division 11, of the California Water Code.

NOW, THEREFORE BE IT HEREBY ORDERED by the Board of Directors of the Turlock Irrigation District that the Turlock Irrigation District Water Resources Administration prepare a survey of the proposed improvements to be made under the petition, and that the survey be filed with the Board of Directors of the Turlock Irrigation District when it has been completed.

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, Santos, Frantz, Macedo, Alamo
Noes: Directors None
Absent: Directors None

The President declared the resolution adopted (Director Santos voted via teleconference).

RESOLUTION NO. 2017 – 36

RESOLUTION OUTLINING THE TURLOCK IRRIGATION DISTRICT’S SUPPORT OF THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION ALTERNATIVE TO PROMOTE THE EXPANSION AND MAINTENANCE OF FALL-RUN CHINOOK SALMON AND *ONCORHYNCHUS MYKISS* POPULATIONS IN THE LOWER TUOLUMNE RIVER WHILE MAINTAINING WATER SUPPLY RELIABILITY

WHEREAS, the State Water Resources Control Board’s Bay-Delta Plan, Phase 1 Draft Substitute Environmental Document (SED) issued in December 2012 proposed to require the Stanislaus, Tuolumne, and Merced rivers release 35 percent of unimpaired flows from February to June each year for environmental benefit; and

WHEREAS, a revised Draft SED was issued on September 15, 2016 and proposes to require the Merced, Stanislaus and Tuolumne rivers release 40 percent unimpaired flows from February to June each year for environmental benefit; and

WHEREAS, flows described in the SED will create “significant and unavoidable” lasting impacts that will harm the socioeconomic welfare of those within Stanislaus, San Joaquin and Merced counties; and

WHEREAS, water supply impacts of flows described in the SED include the loss of hundreds of thousands of acre-feet of surface water that is used to keep agriculture—the region’s economic engine—stable. This loss of water would result in the fallowing of some of the most prime farmland in California; and

WHEREAS, there is reasonable and significant doubt that the flows described in the SED will benefit native fish populations or promote ecosystem restoration. The SED focuses narrowly on flows as a solution to environmental concerns while ignoring non-flow alternatives such as predator suppression and fish habitat restoration. Such non-flow management measures are often less costly and more effective; and

WHEREAS, the San Francisco Public Utilities Commission has submitted the Alternative to Promote the Expansion and Maintenance of Fall-run Chinook Salmon and *Oncorhynchus mykiss* Populations in the Lower Tuolumne River While Maintaining Water Supply Reliability (the **Alternative**) to the State Water Resources Control Board; and

WHEREAS, the **Alternative** is a better proposal for Tuolumne River ecosystem improvements that have significant technical support and meets the fishery protection goals on the Tuolumne River without the significant impacts to the District that would result from the State Board's proposal.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Turlock Irrigation District that the Turlock Irrigation District supports the San Francisco Public Utilities Commission **Alternative** to the State Water Resources Control Board's Phase 1 Revised Draft Substitute Environmental Document and encourages the State Water Resources Control Board to embrace the approach articulated in the San Francisco Public Utilities Commission **Alternative**.

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, Frantz, Macedo, Alamo
Noes:	Directors None
Absent:	Directors None

The President declared the resolution adopted (Director Santos voted via teleconference).

**MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT
REGULAR BOARD MEETING OF JUNE 13, 2017**

Moved by Director Macedo, seconded by Director Fernandes, that the regular meetings of the Board of Directors of the Turlock Irrigation District scheduled for June 13, 2017, be canceled.

The President declared the motion carried (Director Santos voted yes via teleconference).

RESOLUTION NO. 2017 - 37

**RESOLUTION DELEGATING AUTHORITY TO APPROVE
PAYMENT OF TURLOCK IRRIGATION DISTRICT
WARRANTS FROM JUNE 7 THROUGH JUNE 13, 2017**

WHEREAS, because the Board of Directors will not hold its regular meetings on June 13, 2017; and

WHEREAS, Water Code Section 24600 states "No claim shall be paid by the treasurer until allowed by the board, and only upon a warrant signed by the president and countersigned by the secretary"; and

WHEREAS, it is in the best interests of the District that the District pay vendors in a timely manner.

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

1. For the period of June 7 through June 13, 2017 only, the Board of Directors delegates to the President and Vice President of the District's Board of Directors and either of them, the authority to approve claims under Water Code Section 24600 for payment.
2. At the Board of Directors' regular meeting on June 20, 2017, the Treasurer or the Accounting Department Manager shall report to the Board all claims paid during that period pursuant to this resolution.

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, Santos, Frantz, Macedo, Alamo
Noes: Directors None
Absent: Directors None

The President declared the resolution adopted (Director Santos voted via teleconference).

GENERAL MANAGERS REPORT

General Manager Casey Hashimoto reported that today is the 130-year anniversary TID was formed as the first irrigation district in California. There have been some trials and hardships through the years yet the District persevered by pushing forward for our customers. He then shared a short video commemorating the event.

BUSINESS OF THE BOARD

Director Macedo reported his attendance at the Water Advisory Committee meeting.

Director Fernandes reported on his attendance at the recent groundwater meeting in Denair the previous week.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Macedo, seconded by Director Fernandes, that the regular meeting of the Board of Directors be adjourned:

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. The President declared the motion carried.

REPORT OF ACTION TAKEN IN CLOSED SESSION

The President announced there was no reportable action taken in closed session.

RECESS

The meeting was recessed at 12:10 p.m.

RECONVENE

The regular meeting was reconvened in GM Conference Room 172 at 12:15 p.m. with all officers present as per the previous session.

DEBT POLICY WORKSHOP

CFO/AGM Financial Services Joe Malaski and Financial Reporting Manager Michael Vincent, presented an overview of TID's Debt Policy. California Law, SB 1029, amends government code section 8855(i) stating that effective January 1, 2017, issuers must certify on the Report of Proposed Debt issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies. This requires an annual report until the issue is retired and also states specific requirements the new policy must include. The District will utilize debt financing to fund long-term improvements, to ensure that existing and future users pay an equitable and fair share of capital project funding requirements. Mr. Malaski periodically evaluates existing debt and executes board approved refinancing's or prepayment (refunding) when it is economically beneficial to do so. Mr. Vincent reviewed the different types of debt including long-term and short-term options, and the relation of debt to the District's capital improvement plan. Policy goals include establishing parameters for issuing debt, achieving a prudent, equitable and cost effective financing while also promoting objectivity in the decision-making process.

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.

Tami Wallenburg

Executive Secretary to the Board of Directors