



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

Turlock, California
16 May, 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 16th day of May 2017. Present were: Directors Joe Alamo (President), Michael Frantz (Secretary), Rob Santos and Ron Macedo, General Manager Casey Hashimoto and Executive Secretary to the Board Tami Wallenburg. Absent was: Director Fernandes.

SALUTE TO THE FLAG

MOTION APPROVING CONSENT CALENDAR

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

- A. Minutes of the regular meeting of May 2, 2017.
- B. Demands against the District represented by check numbers 362913 to 363290, inclusive, in the amount of \$12,816,018.95.

All voted in favor with none opposed (Director Fernandes was absent). 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 5-11. The daily system peak, including partial required sales, reached 403 megawatts on May 9. 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 24 percent. The Tuolumne Wind Project (TWP) generated 7,026 MWh's during this time period at the Willis Substation. Natural gas prices at Pacific Gas & Electric Company's Citygate were \$3.32/mmBTU. Electric operations for this period show Walnut Energy Center out of service through May 18; Boardman was offline for economics; Almond 1 ran all week for operations; Almond 2, 3 and 4 will be out of service through May 18; and Don Pedro Unit 4 remains out of service until further notice.

Jason Carkeet, Utility Analyst, reported on current water conditions and precipitation forecast. Accumulated precipitation measured at the three mountain stations in the Tuolumne River watershed from September 1, 2016 to present total 63.22 inches, or 183 percent of normal to date. Snow sensors are 188 percent of average to date. Computed natural flow is averaging 13,133 cfs. San Francisco reservoirs contain 532,987 acre-feet. Don Pedro contains 1,658,965 acre-feet. Average combined releases are at 10,752 cubic feet per second with 1,202 cfs going to TID, 786 cfs to Modesto Irrigation District, and the remaining 8,764 cfs going to the Tuolumne River. Don Pedro Water Bank is at 570,000 acre-feet of credit and Turlock Lake contains 22,401 acre-feet of water.

Mike Kavarian, Water Distribution Department Manager, reviewed irrigation activity for the period of May 8-14. Activity for this period show flows ranged between 1,240 and 900 cfs. The call center received 1,450 orders for the week. Daily releases from Turlock Lake averaged at 1,091 cfs, 115 cfs above projections. The irrigation call center received 350 orders the previous day and staff plans to increase flows by the upcoming weekend. Approximately 79 pump contracts were sent out the previous week and water distribution operators were instructed to inform customers they need to contact water distribution managers if they wish to run their pumps as there are capacity constraints in some areas. Director Alamo asked if the district is running their most efficient pumps and Mr. Kavarian responded stating there are some drainage pumps being utilized. Although these type of pumps aren't the most efficient, they are less expensive to run and staff will continue to evaluate on a day to day basis.

RESOLUTION NO. 2017 - 29

**RESOLUTION AUTHORIZING SURVEY OF PROPOSED IMPROVEMENTS
IN PROPOSED IMPROVEMENT DISTRICT NO. 15850, TO BE KNOWN
AS THE SIKMA PUMP**

WHEREAS, a petition for the formation of Improvement District No. 15850 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 Macedo, seconded by Director Frantz, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

RESOLUTION NO. 2017 - 30

**RESOLUTION OF THE BOARD OF DIRECTORS OF TURLOCK
IRRIGATION DISTRICT AUTHORIZING THE ISSUANCE OF
IMPROVEMENT DISTRICT NO. 1589 REGISTERED WARRANTS**

WHEREAS, pursuant to proceedings duly had and taken in accordance with law, the Board of Directors of Turlock Irrigation District had caused to be made a survey of the improvements proposed to be acquired in proposed Improvement District No. 1589 of Turlock Irrigation District, which said survey showed that the said improvements were feasible, and said Board had caused to be prepared an estimate of the cost of said proposed improvements and a statement of the proposed assessment for the cost of said proposed improvements apportioned to each tract of land in said proposed improvement district, which said apportionment was according to the benefits that would accrue to each tract of land by virtue of said proposed improvements, which said estimate of cost and statement of the proposed assessment were filed with the Secretary of the Turlock Irrigation District in the office of the District and were open for inspection by all interested persons; and

WHEREAS, pursuant to proceedings duly had and taken in accordance with law, the Board of Directors of Turlock Irrigation District on April 11, 2017 duly passed and adopted its resolution entitled "Final Order of the Board of Directors of Turlock Irrigation District Forming Improvement District No. 1589, to be known as the Burns Pump, and Levying a Special Assessment Therein"; and

WHEREAS, said Final Order has been duly recorded as required by law and pursuant to said Final Order an estimated assessment in the total amount of \$70,970.80 was spread upon the lands within said Improvement District No. 1589 (the "Assessment") for payment of the cost of those improvements within said Improvement District No. 1589 as described in the Final Order (the "Improvements") for the benefit of lands in said Improvement District No. 1589; and

WHEREAS, said Assessment has not been paid upon the following described parcels of land owned by the following landowners in the following respective amounts:

<u>Name of Landowner</u>	<u>Description of Land</u>	<u>Amount of Assessment</u>
Alice L. Roche	APN 041-046-012	\$ 36,313.21
Nicholas Burns	APN 041-046-013	\$ 34,657.59

and

WHEREAS, \$70,970.80, pursuant to the Final Summation of Costs, of said Assessment levied and spread as aforesaid remains unpaid, and in addition of said unpaid Assessment in said amount of \$70,970.80 there has also been levied on said lands on which said Assessment remains

unpaid an amount equal to interest on any deferred payments at a rate of five and one-quarter percent (5-1/4%) per annum, payable annually; and an amount equal to ten percent (10%) more than all other sums to be raised by said Assessment, in order to provide for anticipated delinquencies; and the Board of Directors deems it advisable to issue Improvement District No. 1589 Warrants in registered form and in face amount equal to said amount of said Assessment unpaid.

NOW, THEREFORE, the Board of Directors of Turlock Irrigation District does hereby resolve, determine and declare:

1. Warrants of Improvement District No. 1589 of the Turlock Irrigation District in the aggregate principal amount of \$70,970.80 (the "Warrants") shall be issued by Turlock Irrigation District, said amount being equal to the cost of said Improvements in said Improvement District No. 1589 exclusive of interest and amounts paid prior to the issuance of said Warrants on the Assessment levied by said Final Order to pay for said Improvements. All of said Warrants shall be in registered form, shall be dated May 12, 2017, (which is hereby fixed and determined to be the date of issue of said Warrants), and shall bear interest at the rate of five and one-quarter percent (5-1/4%) per annum, payable on July 1, 2017 and semiannually thereafter on the first day of January and the first day of July of each year until the Warrants shall be fully paid (each such interest payment date being a "Record Date").

Each Warrant shall obligate the Improvement District to pay to the registered owner thereof or his registered assigns, but solely from moneys on deposit in the Warrant Interest and Principal Fund specified in paragraph 7 of this Resolution and not otherwise, (a) the principal amount thereof at the maturity date specified in such Warrant upon presentation and surrender of such Warrant at the Office of the Treasurer of the Turlock Irrigation District, Turlock, California, and (b) interest on such principal amount from the interest payment date next preceding the date of registration of such Warrant, unless such Warrant is registered as of an interest payment date, in which event, it shall bear interest from that date, or unless such Warrant is registered prior to July 1, 2017, in which event, it shall bear interest from May 12, 2017 until the payment of such principal amount in full. Said interest shall be payable by check mailed to the persons whose names are listed on the Warrant register maintained as provided in paragraph 4 hereof as the registered owners of the Warrants as of such Record Date, at their respective addresses as they appear on said Warrant register. Principal and interest on the Warrants shall be payable in lawful money of the United States of America.

Said Warrants shall be ten in number, numbered from R-1 to R-10, inclusive. Said Warrants shall be numbered and shall be of the respective principal amount, and shall mature and be payable in consecutive numbered order from lower to higher, in accordance with the following maturity schedule, to-wit:

<u>Warrant Numbers</u>	<u>Principal Amount</u>	<u>Maturity Date</u> <u>January 1</u>
R-1	\$ 7,097.80	2018
R-2	7,097.00	2019
R-3	7,097.00	2020
R-4	7,097.00	2021
R-5	7,097.00	2022
R-6	7,097.00	2023
R-7	7,097.00	2024

R-8	7,097.00	2025
R-9	7,097.00	2026
R-10	7,097.00	2027

2. The Secretary of the Turlock Irrigation District is directed to issue Warrants of suitable quality and to procure their execution by the proper officers of this District, and to deliver them when so executed to the Treasurer of the Turlock Irrigation District, who shall keep the same and deliver them to the purchaser thereof upon receiving therefor the sum of \$70,970.80 plus accrued interest at the rate of five and one-quarter percent (5-1/4%) per annum from May 12, 2017, until the date said Warrants are delivered to said purchaser.

3. Any Warrant may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of paragraph 4 of this Resolution by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Warrant for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Treasurer of the Turlock Irrigation District. Whenever any Warrant or Warrants shall be surrendered for transfer, the Turlock Irrigation District shall execute and deliver a registered Warrant or Warrants for a like aggregate principal amount. The Treasurer of the Turlock Irrigation District shall require the payment by the person in whose name such Warrant or Warrants has been registered and requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. No such transfer shall be required to be made by the Turlock Irrigation District during the fifteen (15) days preceding each warrant interest payment date.

Warrants may be exchanged at the Office of the Treasurer of the Turlock Irrigation District for a like aggregate principal amount of Warrants of the same maturity of other authorized denominations.

The Treasurer of the Turlock Irrigation District shall require the payment by the person in whose name such Warrant has been registered and requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No such exchange shall be required to be made by the Turlock Irrigation District during the fifteen (15) days preceding each Warrant interest payment date.

4. The Treasurer of the Turlock Irrigation District shall keep at its office sufficient books for the registration and transfer of the Warrants as hereinabove provided.

In case any Warrant shall become mutilated or shall be believed by the District to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the District and upon the surrender of such mutilated Warrant at the Office of the Treasurer of the Turlock Irrigation District, or upon the receipt of evidence satisfactory to the Turlock Irrigation District of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Turlock Irrigation District, and upon payment of all expenses incurred by the Turlock Irrigation District in the premises, the Turlock Irrigation District shall execute and deliver at such Office a new Warrant or Warrants of the same maturity and for the same aggregate principal amount of like tenor and date and bearing the same number or numbers and with such notations as the Turlock Irrigation District shall determine, in exchange and substitution for and upon cancellation of the mutilated Warrant, or in lieu of and in substitution for the Warrant so destroyed, stolen or lost.

If any such destroyed, stolen or lost Warrant shall have matured, payment of the amount due thereon shall be made by the District upon receipt of like proof, indemnity and payment of expenses.

Any such duplicate Warrant issued pursuant to this paragraph shall be entitled to equal and proportionate benefits with all other Warrants issued hereunder, and the Turlock Irrigation District shall not be required to treat both the original Warrant and any duplicate as being outstanding for the purpose of determining the principal amount of Warrants which may be issued hereunder, but both the original and the duplicate Warrant shall be treated as one and the same.

The District covenants that it shall take no action with respect to the system for registering the Warrants that would adversely affect the exemption of interest from the federal income tax provided for under the Internal Revenue Code of 1954, as amended.

5. The Turlock Irrigation District hereby pledges to perform faithfully all acts, conditions and proceedings authorized or permitted by law for the collection and enforcement of the unpaid installments of said Assessment for the punctual payment of the principal of each of said Warrants and interest thereon as the same fall due, including the levy and collection of supplemental assessment (pursuant to Section 23850 of the Water Code of the State of California) upon all of the land in said Improvement District No. 1589 sufficient to pay said Warrants and the interest thereon to the full extent permitted by law. Each registered owner of said Warrants or any of them, shall be entitled to rely upon the representations herein set forth, and it is hereby certified, recited and declared that each and all of the matters herein recited and set forth are true and correct and are for the direct benefit of each and all of the registered owners and registered assigns of said Warrants. Both the principal of said Warrants and the interest accruing thereon shall be paid from revenue derived from the Assessment levied in said Final Order on the lands in said Improvement District No. 1589 and remaining unpaid. All lands within said Improvement District No. 1589 (with respect to which said Assessment remains unpaid) shall be and remain liable to be assessed for such payments in an amount sufficient to raise the interest due or that will become due on all of said Warrants then outstanding as the same becomes due and payable, in accordance with their terms, and also sufficient to pay principal of all said Warrants issued and also an amount equal to ten percent (10%) more than all other sums to be raised by said Assessment, in order to provide for anticipated delinquencies.

6. There is hereby created and established a special fund to be designated "Turlock Irrigation District Improvement District No. 1589 Acquisition Fund" (the "Acquisition Fund") into which shall be deposited (a) all assessments levied as provided in said Final Order and heretofore paid in full as hereinabove set forth, and (b) the proceeds of sale of said Warrants (other than accrued interest received upon the sale of said warrants); and such sums so deposited shall be applied solely to pay the cost of acquiring the Improvements in said Improvement District No. 1589 described and referred to in said Final Order. All moneys received on account of interest accruing on said Warrants from their date to the date of delivery and actual payment of the purchase price thereof shall be deposited in the Turlock Irrigation District Improvement District No. 1589 Warrant Interest and Principal Fund hereinafter provided for in paragraph 7 hereof. Any balance remaining in the Acquisition Fund after the payment of all costs of the acquisition of said Improvements shall be held, transferred or distributed as determined by the Board of Directors of the Turlock Irrigation District pursuant to California Water Code Section 24529.

7. There is hereby created and established a special fund to be designated "Turlock Irrigation District Improvement District No. 1589 Warrant Interest and Principal Fund" (the "Warrant

Interest and Principal Fund") into which shall be deposited all of the following sums:

- (a) All accrued interest received by said Turlock Irrigation District upon the sale of said Warrants;
- (b) All annual installments on unpaid assessments (including installments in respect of the unpaid portion of the Assessment and installments in respect of any supplemental installment levied pursuant to paragraph 5 hereof) hereafter paid (including annual interest charges, plus ten percent (10%) in addition to the amount of such annual installments plus interest) pursuant to said Final Order;
- (c) All interest on overdue installments of unpaid assessments (including installments in respect of the unpaid portion of the Assessment and installments in respect of any supplemental installment levied pursuant to paragraph 5 hereof) and all sums received by said Turlock Irrigation District from the sale of assessment delinquent lands.

All sums in said Warrant Interest and Principal Fund shall be held by the Turlock Irrigation District for the benefit of the registered owners of the Warrants and shall be pledged to and applied to pay the interest on and principal of said Warrants as the same become due.

8. No fund of the Turlock Irrigation District or the Turlock Irrigation District Improvement District No. 1589, other than the Warrant Interest and Principal Fund, shall be liable, and neither the full faith and credit nor the taxing power of the Turlock Irrigation District or the Turlock Irrigation District Improvement District No. 1589 is pledged, for the payment of the interest on or principal of the Warrants. This resolution shall take effect from and after its passage and approval.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

RESOLUTION NO. 2017 - 31

RESOLUTION AUTHORIZING THE TURLOCK IRRIGATION DISTRICT TO PURCHASE REGISTERED WARRANTS OF IMPROVEMENT DISTRICT NO. 1589, KNOWN AS THE BURNS PUMP

WHEREAS, Resolution No. 2017-30 authorized the issuance of Improvement District No. 1589 Registered Warrants in the total principal amount of \$70,970.80; and

WHEREAS, the Turlock Irrigation District has moneys in its sinking and depreciation funds to invest in such improvement district warrants.

NOW, THEREFORE, the Board of Directors of the Turlock Irrigation District does hereby resolve and order that Registered Warrants of Improvement District No. 1589, known as the Burns Pump, be purchased at par by the Turlock Irrigation District, being Warrants Numbered R-1 to R-10, inclusive, in the amount of \$70,970.80.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

**MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT
REGULAR BOARD MEETINGS OF MAY 23 AND MAY 30, 2017**

Moved by Director Santos, seconded by Director Macedo, that the regular meetings of the Board of Directors of the Turlock Irrigation District scheduled for May 23 and 30, 2017, be canceled.

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

The President also noted there will be a special board meeting on May 23rd at 1 p.m.

RESOLUTION NO. 2017 - 32

**RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF
TURLOCK IRRIGATION DISTRICT WARRANTS
FROM MAY 17 THROUGH MAY 30, 2017**

WHEREAS, because the Board of Directors will not hold its regular meeting on May 23 and May 30, 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 May 17 through May 30, 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 6, 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 Macedo, seconded by Director Frantz, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

GENERAL MANAGERS REPORT

General Manager Casey Hashimoto had no items to report.

BUSINESS OF THE BOARD

Director Macedo reported on his attendance at the ACWA Spring Conference in Monterey the previous week. He stated the conference was very informative with several good speakers. Director Frantz concurred stating he appreciated ACWA staff focusing the conference material on the proposed unimpaired flows regulation recommended by the State Water Resources Control Board. Director Alamo also attended the conference and agreed with his peers comments regarding the quality material presented at the conference. Director Alamo also reported on his attendance as TID's representative at the SJTA Commission meeting the previous day.

CUSTOMER COMMENT

Aaron Hackler, Board Member for the Turlock Mosquito Abatement District, passed out flyers regarding mosquito prevention after rain storms and flooding. Due to the high water year, mosquito issues have increased significantly and stressed that early prevention will reduce mosquitos as the weather warms up. The board had several questions regarding aerial spraying and spraying around waterways. Mr. Hackler reviewed their aerial spraying process and noted they cannot spray over waterways but can spray areas of seepage near waterways where mosquito larvae are routinely found. They are encouraging everyone to work together and to be proactive. The flyer included several tips to reduce mosquito population by draining water from your property, removing debris from your property where mosquitos can develop and also checking for other development sites such as broken pipes or sprinklers, rain gutters, kiddie pools, wheelbarrows, bird baths and plant saucers. Mr. Hackler also stated that flyers were mailed to all landowners with properties near rivers or waterways.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Santos, seconded by Director Frantz, 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 (Directors Fernandes was absent). 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.

MOTION TO ADJOURN

Moved by Director Santos, 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