



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

Turlock, California  
17 October 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 October 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 was: Director Rob Santos.

**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 October 10, 2017.
- B. Demands against the District represented by check numbers 367556 to 367812, inclusive, in the amount of \$16,511,198.13.

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

**PUBLIC COMMENT PERIOD**

There was none.

**WEEKLY UPDATES**

Line Division Manager Denver Hodges presented the September activity report for Electrical Engineering/Line Department. The SAIDI (System Average Interruption Duration Index) year-to-date figure is 52.2. (SAIDI totals the duration of each outage then divides it by the customer base, and is considered a commonly used formula in the industry). The average length of time customers were without power (due to outages) was 5.8 minutes. Major outage contributors in September show other causes at 4 percent, equipment failure at 11 percent, third party damage at 16%, interference at 3%, with a majority of the outages due to trees/branches at 65%. Electrical Engineering received 41 customer requests with 17 of those sent to the Line Department for completion. Construction lead time is approximately 1½ weeks, and the crew structure in September was three 5-person crews, one 2-person crew, one 4-person contract crew and one 4-

person crew. Director Frantz asked that information from last year be included in future reports for comparison purposes.

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, 2017 to present total 1.11 inches, or 69.4 percent of normal to date. Computed natural flow is averaging 381 cfs. San Francisco reservoirs contain 359,854 acre-feet. Don Pedro contains 1,679,061 acre-feet. Average combined releases are at 1,815 cubic feet per second with 840 cfs going to TID, 633 cfs to Modesto Irrigation District, and the remaining 343 cfs going to the Tuolumne River. Don Pedro Water Bank is at 569,814 acre-feet and Turlock Lake contains 14,752 acre-feet of water.

Mike Kavarian, Water Distribution Department Manager, reviewed irrigation activity for the week of October 9 through 15. Activity for this period show flows ranged between 910 and 590 cfs. Daily releases from Turlock Lake averaged at 759 cfs, 103 cfs below projection. Water orders taken during this period totaled 1,449, with an additional 347 orders received yesterday. Mr. Kavarian noted that orders are below average for the month. There will be a percolation test performed at Turlock Lake at end of the season, and the Board will be updated on the results of this test at a later date. The last day for water orders is October 29<sup>th</sup> with final delivery by November 1<sup>st</sup>. The gates will be shut down on Nov. 2<sup>nd</sup>.

#### **RESOLUTION NO. 2017 - 70**

#### **RESOLUTION OF THE BOARD OF DIRECTORS OF TURLOCK IRRIGATION DISTRICT AUTHORIZING THE ISSUANCE OF IMPROVEMENT DISTRICT NO. 15880 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. 15880 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 Executive 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 August 29, 2017 duly passed and adopted its resolution entitled "Final Order of the Board of Directors of Turlock Irrigation District Forming Improvement District No. 15880, to be known as the TRZ 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 \$97,817.86 was spread upon the lands within said Improvement District No. 15880 (the "Assessment") for payment of the cost of those improvements within said Improvement District No. 15880 as described in the Final Order (the

"Improvements") for the benefit of lands in said Improvement District No. 15880; and

WHEREAS, said Assessment has been fully 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 Paid</u>
Wendel K. Trinkler, Jr., Trustee Heide Trinkler, Trustee Trinkler 2013 Revocable Trust	APN 058-024-001	\$7,917.70
Wendel K. Trinkler, Jr., Trustee Heide Trinkler, Trustee Trinkler 2013 Revocable Trust	APN 058-024-002	\$25,060.60
Roest Family Dairy A California General Partnership	APN 058-026-002	\$4,001.65
Roest Family Dairy A California General Partnership	APN 058-026-003	\$33,639.53
Roest Family Dairy A California General Partnership	APN 058-027-009	\$4,215.64

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>
Nina F. Zylstra, Trustee Diane L. Polgar, Trustee John A. Zylstra, Trustee A & N 1999 Trust-Survivor's Trust	APN 058-026-001	\$ 11,469.97
Nina F. Zylstra, Trustee Diane L. Polgar, Trustee John A. Zylstra, Trustee A & N 1999 Trust-Survivor's Trust	APN 058-026-005	\$ 3,958.85
Nina F. Zylstra, Trustee Diane L. Polgar, Trustee John A. Zylstra, Trustee A & N 1999 Trust-Survivor's Trust	APN 058-026-006	\$ 7,553.92

and

WHEREAS, \$22,982.74, 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 \$22,982.74 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. 15880 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. 15880 of the Turlock Irrigation District in the aggregate principal amount of \$22,982.74 (the "Warrants") shall be issued by Turlock Irrigation District, said amount being equal to the cost of said Improvements in said Improvement District No. 1588 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 October 2, 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 January 1, 2018 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 January 1, 2018, in which event, it shall bear interest from October 2, 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>July 1</u>
R-1	\$ 2,300.74	2018
R-2	2,298.00	2019
R-3	2,298.00	2020
R-4	2,298.00	2021
R-5	2,298.00	2022
R-6	2,298.00	2023
R-7	2,298.00	2024
R-8	2,298.00	2025
R-9	2,298.00	2026
R-10	2,298.00	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 \$22,982.74 plus accrued interest at the rate of five and one-quarter percent (5-1/4%) per annum from October 2, 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. 15880 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. 15880 and remaining unpaid. All lands within said Improvement District No. 15880 (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. 15880 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. 15880 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. 15880 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. 15880 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. 15880, 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. 15880 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 Fernandes, seconded by Director Macedo, 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.

**RESOLUTION NO. 2017 - 71**

**RESOLUTION AUTHORIZING THE TURLOCK IRRIGATION DISTRICT  
TO PURCHASE REGISTERED WARRANTS OF IMPROVEMENT DISTRICT NO.  
15880, KNOWN AS THE TRZ PUMP**

WHEREAS, Resolution No. 2017-70 authorized the issuance of Improvement District No. 15880 Registered Warrants in the total principal amount of \$22,982.74; 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. 15880, known as the TRZ Pump, be purchased at par by the Turlock Irrigation District, being Warrants Numbered R-1 to R-10, inclusive, in the amount of \$22,982.74.

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.

**EXTERNAL AFFAIRS ADMINISTRATION REPORT**

Michelle Reimers, Assistant General Manager of External Affairs, provided an overview of the recent Customer Satisfaction Survey. The primary goal of the survey was to assess TID's ability to service customers, identify areas that need improvement, and to help the District plan for the future. Areas of research included perception of area utilities, satisfaction with TID, customer service and billing, renewable energy perceptions and the demographic profile of the respondents. A telephone survey was conducted in late June through mid-July with the results showing an 87.2 percent positive ranking from residential customers, and an 87.1 percent positive ranking from commercial customers. The top three expectations from both groups were that TID provide reliable service, have reasonable and competitive rates, and provide good customer service. In regards to the level of trust, 88.8 percent of residential customers had a "great deal" or "some" trust in TID in 2017, and 94 percent of commercial customers had a "great deal" or "some" trust in TID. There were new questions posed this year in regards to renewable energy and the consensus was that TID should just comply with regulatory mandates. Customers were also asked

about energy efficiency and what they may be willing to invest in, with the majority of respondents indicating energy efficient appliances and installing thermostats. Ms. Reimers noted that a focus group would be utilized to study the wants, needs and understanding of our rebate programs in relation to energy usage and efficiency, and that this survey has shown that TID has received very high marks from its customers.

Director Frantz commented on the use of a focus group and noted that TID is respected by the community. For the record, Ms. Reimers noted that this survey only pertained to the electrical side of the District.

Dan Severson, Regulatory Analyst, said that he has been focusing on building relationships with various agencies and trade groups including the Joint Utility Group, the Carbon Markets Compliance Association and the Food Processors Task Force. In regards to the California Energy Commission, SB 350 was passed, and will be looked at by the Commissioners as the planning document. Another significant piece of legislation is AB 1110 that will amend the Power Content Label and require us to add an emissions intensity matrix to the energy level we are providing. In regards to the California Air Resources Board, AB 398 codifies and extends Cap and Trade thru 2030. Mr. Severson advised that State Energy themes include emissions reductions, disadvantaged communities, environmental justice, efficiency and integrated planning/policy, with a big push for electric vehicles.

Josh Weimer, Legislative Analyst, reported on recently adopted legislation that will impact TID. The Water Rights bill, AB 313, was vetoed by the Governor; Dam Safety budget bills AB 97 and SB 92 have been signed; Groundwater Wells, SB 252, was signed and does not impact our basin; Water/Parks and Wildlife Bond, SB 5 was signed and includes two provisions that could impact TID. First, it provides \$200 million to implement voluntary agreements related to the Bay-Delta Water Quality Control Plan, and also provides \$30 million to the SRWA water supply project; SRWA, SB 373 was signed and is a design-build process which TID is happy to support. Mr. Weimer advised that the water tax, which would have paid for improvements to drinking water facilities throughout the State, did not pass because how it is funded is very contentious. He reported that the Fertilizer Tax bill, SB 623, was heavily opposed so will be back next year. Mr. Weimer also reported on other bills that TID was following including the Cap and Trade bills, AB 398 and AB 617 which were signed, and two-year bills including the Renewable Portfolio Standard, SB 100, and California ISO Regionalization, AB 813. He noted that consistent themes from Sacramento include Electric Vehicle Rebates, Integrated Resource Plans, which is a catch-all for multiple bills, and the Clean Energy Peak Standard that requires utilities to meet peak demand.

There was also discussion about the impact to the electric grid from the increased use of electric vehicles.

### **GENERAL MANAGER'S REPORT**

General Manager Casey Hashimoto had no new items to report.

## **BUSINESS OF THE BOARD**

Director Frantz asked staff to create a task force, headed by the General Manager, which focuses on the use of electric vehicles. He also complimented staff on the survey results that indicated a high level of customer trust in TID, which is very commendable to the leadership of the General Manager.

## **MOTION TO ADJOURN**

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

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

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