



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

Turlock, California
26 September 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 26th day of September 2017. Present were: Directors Joe Alamo (President), Charles Fernandes (Vice-President), Michael Frantz (Secretary), Rob Santos 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 September 12, 2017.
- B. Demands against the District represented by check numbers 366700 to 367176 in the amount of \$18,023,502.69.

All voted in favor with none opposed. The President declared the motion carried.

PUBLIC COMMENT PERIOD

There was none.

PUBLIC HEARING

A public hearing was opened at 9:03 a.m. to receive comments from the public regarding the proposed inclusion into ID. No. 06630, known as the Damas. Hearing no comments from the public, the hearing was closed at 9:04 a.m. and the following action was taken:

RESOLUTION NO. 2017 - 63

**RESOLUTION OF FINAL ORDER OF THE BOARD OF DIRECTORS OF THE
TURLOCK IRRIGATION DISTRICT APPROVING INCLUSION OF ADDITIONAL
LAND INTO IMPROVEMENT DISTRICT NO. 06630, KNOWN AS THE DAMAS**

WHEREAS, the Board of Directors of the Turlock Irrigation District on September 26, 2017 at 9:00 a.m., held a public hearing on the petition for inclusion of additional land into Improvement District No. 06630, known as the Damas, 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 landowners 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 the 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, Six Hundred Twenty and 46/100 dollars (\$2,620.46) 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 ORDERED 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. 06630 is hereby approved, and that the lands described in *Exhibit A* is hereby included within the improvement district.

Moved by Director Fernandes, seconded by Director Frantz, 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.

WEEKLY UPDATES

Wes Kellison, Energy Trader, reviewed operations for the week of September 15-21. The daily system peak, including partial required sales, reached 417 megawatts on September 18. 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 28 percent. The Tuolumne Wind Project (TWP) generated 6,849 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 was online; Boardman was online with varied light load output; Almond ran six days for operations and all Don Pedro units will be out of service from September 4 through November 6.

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 1.09 inches, or 227 percent of normal to date. Computed natural flow is averaging 735 cfs. San Francisco reservoirs contain 382,360 acre-feet. Don Pedro contains 1,704,972 acre-feet. Average combined releases are at 1,925 cubic feet per second with 929 cfs going to TID, 466 cfs to Modesto Irrigation District, and the remaining 530 cfs going to the Tuolumne River. Don Pedro Water Bank is at 577,486 acre-feet and Turlock Lake contains 29,804 acre-feet of water.

Mike Kavarian, Water Distribution Department Manager, reviewed irrigation activity for the period of September 18-24. Water orders taken during this period totaled 1,466. Activity for this period show flows ranged between 770 and 645 cfs. Daily releases from Turlock Lake averaged 716 cfs, 292 cfs below projections. Staff will begin slowly ramping flows down the first week in October but will have plenty of water available for end of season customers.

RESOLUTION NO. 2017 - 64

RESOLUTION APPROVING ABANDONMENT FROM IMPROVEMENT DISTRICT

WHEREAS, the holder of title to land named in attached Exhibit A desires to abandon their right in an 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 holder 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.

RESOLUTION NO. 2017 - 65

**RESOLUTION TO NOT ADOPT ENERGY STORAGE PROCUREMENT
TARGETS AT THIS TIME**

WHEREAS, existing law requires the governing board of a publicly owned electric utility to determine appropriate targets for the utility to procure viable and cost effective energy storage systems by December 31, 2016, and December 31, 2020; and

WHEREAS, pursuant to existing law the Board of Directors issued Resolution 2014-87 to not adopt energy storage procurement targets at that time; and

WHEREAS, existing law requires the governing board of a publicly owned electric utility to reevaluate its energy storage procurement targets at least once every three years; and

WHEREAS, staff has recently completed a study of commercially available energy storage systems; and

WHEREAS, certain factors that are expected in the near term could affect the cost or the benefits of energy storage systems; and

WHEREAS, based on such study and factors staff recommends that no energy storage procurement targets be adopted at this time.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that no energy storage procurement targets will be adopted at this time.

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.

BUSINESS OF THE BOARD

There was none.

GENERAL MANAGER'S REPORT

General Manager Casey Hashimoto had no new items to report.

MOTION TO ADJOURN TO CLOSED SESSION

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

1. Conference with Labor Negotiator

California Government Code Section 54957.6

- Agency Negotiator: Martin Purdy
- Employee Organizations: TID Employees Association

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 10:45 a.m.

RECONVENE

The regular meeting was reconvened in GM Conference Room 172 at 10:50 a.m. with all officers present as per the previous session.

CAPITAL BUDGET WORKSHOP

CFO/AGM Financial Services Joe Malaski reviewed a summary of the proposed 2018 capital budget for each administration. The General Manager's Administration budget is proposed at \$2.5 million with large expense items \$1.5 million for the Don Pedro Relicensing and \$1.0 million for the La Grange Relicensing. Financial Services proposed capital budget is \$12.5 million which includes large cost items of \$11.5 million on the replacement of the Customer Information System, and approximately \$700,000 for network infrastructure. The Water Resources administration has a proposed capital budget of \$10.06 million which includes several large capital budget items slated for 2018 which includes large cost items of \$3.9 million on the acquired Palm Street Operations complex, \$1.8 million for work on the irrigation system and \$1.7 million on the joint domestic water project. Electrical Engineering and Operations has a projected capital budget of \$14.4 which includes numerous large projects such as \$2.8 million for the upgrade to the transmission and distribution lines (EOL), \$2.4 million for routine expansion services, \$1.8 for routine expansion transformers, \$1.1 on routine expansion on transmission and distribution, \$1.0 million on painting and refurbishing of the 230 kV system, and \$1.0 million on underground cable replacement. The Power Supply administration, which includes all external generation facilities, projected \$8.1 million for the 2018 capital budget with \$2.8 million going to replacement of CTG parts at the Walnut Energy Center (WEC) and another \$1.2 million for replacement of the CTG Mark V1 controller and exciter also at

WEC, and \$1.6 million for natural gas reserves at Barnett and Pinedale. The proposed Don Pedro capital budget projects a \$4.7 million capital budget with \$3.8 million slated for the upgrade and end of life project and \$750,000 for the cavitation project as well as other expenses. The Don Pedro Recreation Agency capital budget is projected at \$1.9 million with \$1.3 million allotted for the rebuild of the Visitor's Center, \$187,000 for roadwork and \$105,000 for renovation of the water tank at Blue Oaks. Mr. Malaski also reviewed financed capital items. The next workshop is scheduled for October 24th to review the proposed Operations and Maintenance 2018 budget.

MOTION TO ADJOURN

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

All voted in favor with none opposed. The President declared the motion carried.

Tami Wallenburg
Executive Secretary to the Board of Directors