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

Turlock, California
12 December 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 12th day of December 2017. Present were: Directors Charles Fernandes (President), Rob Santos (Vice-President), Michael Frantz (Secretary), Joe Alamo 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 Santos, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of December 5, 2017.
B. Demands against the District represented by check numbers 369151 to 369359, inclusive, in the amount of $9,163,788.27.

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 formation of ID. No. 15860, known as the Fox-Wagner Pump No.3. Hearing no comments from the public, the hearing was closed at 9:04 a.m. and the following action was taken:

RESOLUTION NO. 2017-83

RESOLUTION OF FINAL ORDER OF THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT FORMING IMPROVEMENT DISTRICT NO. 15860, TO BE KNOWN AS THE FOX-WAGNER PUMP NO 3, AND LEVYING A SPECIAL ASSESSMENT THEREIN

WHEREAS, the Board of Directors of the Turlock Irrigation District, on December 12, 2017, at 9:00 a.m., held a public hearing on the petition for formation of Improvement District No.
15860, to be known as the Fox-Wagner Pump No 3, under the provisions of Part 7, Division 11, of the California Water Code; and

WHEREAS, based upon the evidence presented at the public hearing, the Board of Directors finds the following:

A. The holders of title or evidence of title of two-thirds or more in number of the acres of the land in the proposed improvement district have signed the petition for the formation of an improvement district.

B. The Turlock Irrigation District has properly caused to be prepared a Survey of the proposed improvements.

C. Plans and Specifications, an Estimate of the Cost of the improvements, and a Statement of the Proposed Assessment have been filed with the Secretary of the Board of Directors of the Turlock Irrigation District.

D. A Detailed Engineer’s Report has been prepared.

E. Proper and timely notice of the hearing was given in accordance with California Water Code Section 23646 and/or the California Constitution.

F. Timely notice of the hearing and of the proposed assessment was given to the lien holders of record of the parcels to be included in the proposed improvement district, and all lien holders’ objections, if any, were resolved to the satisfaction of the Board of Directors.

G. The ballots were tabulated and no majority protest exists.

H. Each of the tracts of land within the boundaries of the proposed improvement district will be benefited by the formation of the improvement district.

I. It is in the best interests of the Turlock Irrigation District and the proposed improvement district to form the improvement district and to acquire or construct the proposed improvements.

J. The assessment hereinafter levied is necessary for the purpose of acquiring or constructing the proposed improvements.

NOW, THEREFORE BE IT HEREBY ORDERED AND DECREED as follows:

1. The petition for the formation of Improvement District No. 15860 is hereby approved and Improvement District No. 15860 is hereby formed. The Turlock Irrigation District is hereby authorized to proceed with the acquisition or construction of the improvements set forth in the petition and in accordance with the applicable survey and estimate of the costs.

2. The Board of Directors of the Turlock Irrigation District does hereby levy and apportion the assessment according to benefits in the manner described in Exhibit A, which is attached hereto and incorporated herein by reference.

3. To the above assessment shall be added both of the following sums: (a) an amount equal to interest on any deferred payments at the rate of five and one quarter percent (5 1/4%) per annum, and (b) an amount equal to ten percent (10%) more than all other sums to be raised by the assessment in order to provide for anticipated delinquencies.
4. The assessment shall be payable over ten (10) years in twenty (20) semi-annual installments with the first installment due and payable at the time the first installment of the year 2019 improvement district assessments are due and payable.

5. In addition to the above assessment, each year there shall be assessed against the lands of the improvement district a sum sufficient to pay for the necessary maintenance and operation costs, as determined by the Board, of the improvement district's facilities and related improvements, and that the assessments shall be levied and apportioned according to benefits by the Board each year at the time set for the levying of the annual assessment of the Turlock Irrigation District and shall be in addition to any other assessment levied upon the lands within the improvement district.

6. The improvement district assessment, and each installment thereof, shall be and remain a lien on such lands in the same manner and effect as the annual assessment of the Turlock Irrigation District.

7. This Final Order forming the improvement district and levying the assessments shall be entered in the minutes of the Board and the Executive Secretary of the Board shall cause a certified copy of this Final Order to be recorded in the office of the County Recorder in each county in which any land of the improvement district is situated.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

**WEEKLY UPDATES**

Utility Analyst-Hydrologist Jason Carkeet reported on current water conditions and precipitation forecast. Accumulated precipitation measured at the three mountain stations in the Tuolumne River watershed from September 1, 2017 to present total 6.96 inches, or 79 percent of normal to date. Computed natural flow is averaging 763 cfs. San Francisco reservoirs contain 366,212 acre-feet. Don Pedro contains 1,634,683 acre-feet. Average combined releases are at 331 cubic feet per second with 1 cfs going to TID, 0 cfs to Modesto Irrigation District, and the remaining 329 cfs going to the Tuolumne River. Don Pedro Water Bank is at 560,492 acre-feet of credit and Turlock Lake contains 25,822 acre-feet of water.

**MOTION APPROVING APPLICATION FOR INSTALLATION OF A 15-INCH SIDEGATE IN THE UPPER LATERAL 2 1/2 CANAL BY PAMELA GENZOLI**

Moved by Director Macedo, seconded by Director Alamo, that the application of Pamela Genzoli, dated November 28, 2017 for installation of one 15” sidegate in Turlock Irrigation
District’s Upper Lateral 2 1/2 Canal be approved.

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

PRESENTATION OF THE PROPOSED TID 2018 BUDGET
AND SCHEDULE OF CHARGES

Martin Qualle, Accounting Department Manager, presented the proposed 2018 budget and schedule of charges noting several factors impacting the final numbers. Director Frantz asked several questions regarding bond counsel and debt service coverage related to the districts bond rating. Director Frantz also stated his desire for the water side to integrate more technology and ways to reflect changes to the system to better serve the needs of our customers.

RESOLUTION NO. 2017 - 84

RESOLUTION APPROVING TURLOCK IRRIGATION DISTRICT
2018 BUDGET AND SCHEDULES OF OTHER CHARGES

BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that as follows:

1. That Turlock Irrigation District budget for calendar year 2018 is hereby approved and a copy is ordered filed in the Executive Secretary’s office.

2. Those certain Schedules of Other Charges, consisting of the Electric Service Schedule of Charges, Materials and Services Schedule of Charges, and Damaged Meter Charges, are hereby approved and adopted effective February 1, 2018.

3. Equipment Rates and Hourly Labor Rates for Work Billed to Others, copies of which are attached to this resolution, are hereby approved and adopted effective January 1, 2018.

4. All previously adopted Schedules of Other Charges are hereby rescinded.

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, Alamo, Macedo, Fernandes
Noes: Directors - None
Absent: Directors - None

The President declared the resolution adopted.
DISCUSSION REGARDING COMMITTEE APPOINTMENTS

General Manager Casey Hashimoto reviewed some minor revisions to the committee appointments with Director Macedo serving as the new Don Pedro Board of Control representative, and Director Frantz will be the new representative to the San Joaquin Tributaries Authority. Director Alamo questioned the need to keep the Westside Power Authority committee intact since it has not met for several years. Mr. Hashimoto stated he would discuss the matter with General Counsel.

MOTION APPROVING COMMITTEE APPOINTMENTS

Moved by Director Santos, seconded by Director Macedo, that the following committee appointments be approved effective December 12, 2017:

Association of California Water Agencies Delegate
Casey Hashimoto, Representative
Michelle Reimers, Alternate

American Public Power Association Delegate
Casey Hashimoto, Representative
Michelle Reimers, Alternate

California Farm Water Coalition Delegate
Joe Alamo, Representative
Ron Macedo, Alternate

Don Pedro Recreation Agency Board of Control
Ron Macedo, Representative
Charles Fernandes, Alternate
Rob Santos, Alternate
Casey Hashimoto, Alternate
Tou Her, Alternate

Don Pedro Operating Committee
Brad Koehn, Representative
Tim Payne, Alternate

Drinking Water Committee
Charles Fernandes, Representative
Rob Santos, Representative
Casey Hashimoto, Representative
Tou Her, Representative

Facilities Committee
Charles Fernandes
Ron Macedo

Investment Committee
Casey Hashimoto, Representative
Brian Stubbert, Representative
Michael Clipper, Representative

Northern California Joint Pole Association
Ed Jeffers, Representative
Joe Gill, Alternate
<table>
<thead>
<tr>
<th>Organization</th>
<th>Representative(s)</th>
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<tbody>
<tr>
<td>Northwest Public Power Association</td>
<td>Casey Hashimoto, Delegate</td>
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<tr>
<td>Pension Investment Committee</td>
<td>Michael Frantz, Joe Alamo, Casey H.</td>
</tr>
<tr>
<td>Personnel and Compensation Committee</td>
<td>Charles Fernandes, Rob Santos, C. H.</td>
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<tr>
<td>Power Supply Risk Committee</td>
<td>Ron Macedo, Michael Frantz</td>
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<tr>
<td>Risk Management Committee</td>
<td>Casey Hashimoto, Brian Stubbert, J.</td>
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<tr>
<td>San Joaquin Tributaries Authority</td>
<td>Charles Fernandes, Joe Alamo, R. S.</td>
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<tr>
<td>San Joaquin Tributaries Association/Delta Tributary Agencies Committee</td>
<td>Casey Hashimoto, Tou Her, C. F.</td>
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<tr>
<td>Senior Executive Compensation Committee</td>
<td>Charles Fernandes, Rob Santos, C. F.</td>
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<tr>
<td>Transmission Agency of Northern California Commission</td>
<td>Manjot Gill, Casey H., C. F.</td>
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<tr>
<td>Turlock Groundwater Basin Association</td>
<td>Steve Boyd, Debra Liebersbach, R. S.</td>
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<tr>
<td>Westside Power Authority</td>
<td>Rob Santos, Joe Alamo</td>
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<tr>
<td>West Turlock Subbasin Groundwater Sustainability Agency</td>
<td>Joe Alamo, Charlie F., A.</td>
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All voted in favor with none opposed. The President declared the motion carried.

RESOLUTION NO. 2017 - 85

RESOLUTION APPROVING QUITCLAIM OF EASEMENT TO NHC HOLDINGS, LLC

WHEREAS, the Board of Directors of the Turlock Irrigation District are the trustees for Improvement District No. 134A, known as the Lockwood branch of the Thornburg Ditch; and

WHEREAS, the owners NHC Holdings, LLC, through their representative, have requested the District quitclaim any interest in that portion of Improvement District No. 134A, known as the Lockwood branch of the Thornburg Ditch; and;

WHEREAS, District staff has determined that the Lockwood branch of the Thornburg Ditch no longer has any downstream irrigators from the subject portion of the easement, all irrigation facilities have been removed, and the subject portion of the easement no longer benefits Improvement District No. 134A.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that the quitclaim from the Board of Directors of the Turlock Irrigation District acting as trustees for Improvement District No. 134A, known as the Lockwood branch of the Thornburg Ditch, to NHC Holdings, LLC, is hereby approved, and the President and Secretary are hereby authorized and directed to execute the same on behalf of the District.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

RESOLUTION NO. 2017 - 86

RESOLUTION APPROVING THE TURLOCK IRRIGATION DISTRICT MANAGERIAL, SUPERVISORY, PROFESSIONAL AND CONFIDENTIAL EMPLOYEES SALARY AND BENEFITS RESOLUTION

WHEREAS, it has been determined by the Human Resources Department that there is a need to adopt the Turlock Irrigation District Managerial, Supervisory, Professional and Confidential Employees Salary and Benefits Resolution, which covers wages, benefits and other terms and conditions of employment, effective January 1, 2018, through December 31, 2021.
NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that the Managerial, Supervisory, Professional and Confidential Employees Salary and Benefits Resolution, setting wages, benefits and other terms and conditions of employment, effective January 1, 2018, through December 31, 2021 is hereby approved.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

**MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT REGULAR BOARD MEETINGS OF DECEMBER 19 AND 26, 2017, AND JANUARY 2, 2018**

Moved by Director Frantz, seconded by Director Macedo, that the regular meetings of the Board of Directors of the Turlock Irrigation District scheduled for December 19 and 26, 2017, and January 2, 2018 be canceled.

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

**RESOLUTION NO. 2017 - 87**

**RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF TURLOCK IRRIGATION DISTRICT WARRANTS FROM DECEMBER 13, 2017 THROUGH JANUARY 2, 2018**

WHEREAS, because the Board of Directors will not hold its regular meetings on December 19 and 26, 2017 and January 2, 2018; 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 December 13 through December 19, 2017, and December 20, 2017
   through January 2, 2018 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 January 9, 2018, 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 Santos, that the foregoing resolution be
adopted.

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

GENERAL MANAGER’S REPORT

General Manager Casey Hashimoto reported on the APPA Conference he recently
attended. Board members asked several questions regarding the electric vehicle topic discussed at
the conference.

BUSINESS OF THE BOARD

Director Macedo reported on his attendance at the recent Don Pedro Board of Control
meeting the previous week. He noted that campsite numbers were up most in part due to the
additional water in the reservoir. He also noted the new concessionaire hired in 2017 is doing well.

Director Alamo reported on his attendance at the recent California Farm Water Coalition
meeting. He shared paperwork with the board members which contained various statistical data
including how California compares to other areas.

MOTION TO ADJOURN

Moved by Director Alamo, 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