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

Turlock, California
7 November 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 7th day of November 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 31, 2017.
B. Demands against the District represented by check numbers 368213 to 368398, inclusive, in the amount of $3,823,207.46.

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

Wes Kellison, Energy Trader, reviewed operations for the week of October 27 – November 2. The daily system peak, including partial required sales, reached 368.6 megawatts on October 25. The daily energy usage has been consistent, and prices increased this past week due to the Southern California weather. 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 33 percent. The Tuolumne Wind Project (TWP) generated 8,127 MWh’s during this time period at the Willis Substation. Natural gas prices at Pacific Gas & Electric Company’s Citygate were $3.07/mmBTU. Electric operations for this period show Walnut Energy Center was online; Boardman was offline for economics; Almond ran one day for operations and all Don Pedro units will be out of service from September 4 through November 20. Mr. Kellison noted that the Rosamond 2 solar farm has been down due to maintenance work.
Mike Kavarian, Water Distribution Department Manager, reviewed irrigation activity for the irrigation season. He reported that staff had taken 350 – 400 orders in the last few days, and that the head gates at Turlock Lake had been closed to allow repair work on the left bank. Mr. Kavarian reported that Turlock Lake is at 29,000 acre feet, with the Highline Canal set to take Turlock Lake water, and that all requests for water have been met. The total number of water orders taken by the Call Center was 61,179, about 17,000 more than last year. Mr. Kavarian reported that water pumped from TID drainage, rented pumps and pumping credit was 26,743 acre feet, which resulted in a $650,000 savings to the rentals and pump usage budget. He responded to questions from the Board, and thanked his staff for an outstanding job in meeting the demand for water and for controlling pump water.

RESOLUTION NO. 2017 - 75

RESOLUTION CALLING FOR PUBLIC HEARING ON PETITION FOR THE FORMATION OF IMPROVEMENT DISTRICT NO. 15860, TO BE KNOWN AS THE FOX-WAGNER PUMP NO 3

WHEREAS, a Petition for the formation of Improvement District No. 15860 has been properly filed with the Executive Secretary of the Turlock Irrigation District; and

WHEREAS, the Plans and Specifications, Estimate of the Cost of the proposed improvements, Statement of the Proposed Assessments, Statement of Benefit, and Statement of Proposed Operation and Maintenance Assessment have been duly prepared and are on file with the Secretary in the office of the Turlock Irrigation District.

IT IS HEREBY ORDERED that a public hearing on the petition shall be held to determine whether or not the proposed special assessment should be levied and regarding any other matters relating to the proposed formation of Improvement District No. 15860, at 9:00 a.m., on December 12, 2017, in the office of the Board of Directors of the Turlock Irrigation District, 333 East Canal Drive, Turlock, Stanislaus County, California, and that proper and timely notice of the public hearing shall be given in accordance with the California Water Code Section 23646 and California State Constitutional Article XIII.

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: None
Absent: Director Santos

The President declared the resolution adopted.
MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT
REGULAR BOARD MEETING OF NOVEMBER 14, 2017

Moved by Director Frantz, seconded by Director Fernandes, that the regular meeting of the Board of Directors of the Turlock Irrigation District scheduled for November 14, 2017, be canceled.

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

RESOLUTION NO. 2017 - 76

RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF TURLOCK IRRIGATION DISTRICT WARRANTS FROM NOVEMBER 8, 2017 THROUGH NOVEMBER 14, 2017

WHEREAS, because the Board of Directors will not hold its regular meeting on November 14, 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 November 8 through November 14, 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 November 21, 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 Fernandes, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

The President declared the resolution adopted.
REVIEW BUDGETS FOR GENERAL MANAGER, FINANCIAL SERVICES AND EXTERNAL AFFAIRS ADMINISTRATION

Casey Hashimoto, General Manager, provided an overview of the Turlock Irrigation District 2018 Financial Forecast. Revenues are projected to be down slightly, and operations and maintenance costs to be up about 4.5%. Total cash available is at $61 million and revenue financed capital for 2018 is $22 million. Overall, this leads to about $11 million for reserves, with debt service coverage at 1.75. Director Frantz commented about the change in the Power Supply Administration expenses. Mr. Hashimoto responded that power and gas prices are down so we are projecting pricing to continue to decrease. The Revenue Capital Forecast shows growth relatively flat due to an unpredictable wholesale market. Overall about $1.5 million less revenue than what was budgeted in 2017. Power supply challenges include forward market price volatility, hydro conditions and river requirements, TWPA output uncertainty and the evolving environmental frontier. Operations and maintenance impacts include service reliability, less capital labor, wage increases and credit card fees. There was discussion about cost of living increases, credit cards fees and the possibility of utilizing a kiosk as a pay station. Mr. Hashimoto reported that staffing for 2018 will be the same as 2017 with 456 allocated positions. The General Manager’s operations and maintenance budget will increase by 5.3% due in part to credit card fees, and the fact that Customer Service and Hydrological staff are now included in this Administration’s budget. The increase in the External Affairs budget is due to the added Regulatory Analyst position. The 3.1% increase to the Financial Services Administration (FSA) operations and maintenance budget includes the new CIS software, maintenance support software and bad debts. The FSA Capital Budget is mostly the same with the big expenditure being the CIS project at $11.5 million, including new printers.

GENERAL MANAGER’S REPORT

General Manager Casey Hashimoto had no new items to report.

BUSINESS OF THE BOARD

Director Alamo advised that agenda item M.1 – Don Pedro Workshop, has been postponed to an undetermined date.

MOTION TO ADJOURN TO CLOSED SESSION

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

1. Conference with Legal Counsel – Existing Litigation
   California Government Code Section 54956.9(d)
   Legal Counsel Review of Two (2) Existing Cases:
   Turner vs. TID, et al, Case Number 9000357, Stanislaus Co Superior Court
   Lopez vs. TID, DPRA, et al, Case Number 2026534, Stanislaus Co Superior Court
   - Michael Clipper, Risk & Investment Analyst
   - Joe Fagundes, Legal Counsel
2. Public Employee Performance Evaluation
   California Government Code section 54957(b)(1)
   Title: General Manager

   All voted in favor with none opposed (Director Santos 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 Frantz, seconded by Director Fernandes, 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