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

Turlock, California
18 December 2018

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 18th day of December 2018. 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 Frantz, seconded by Director Macedo, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of December 4, 2018 and the special meeting of December 11, 2018.
B. Demands against the District represented by check numbers 379345 to 379811, inclusive, in the amount of $22,318,757.68.

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

PUBLIC COMMENT PERIOD

There was none.

Director Alamo left the room due to a conflict of interest on the following proposed action item.

PUBLIC HEARING

A public hearing was opened at 9:02 a.m. to receive comments from the public regarding the proposed formation of ID No.15900, to be known as the Dutch Nut. Hearing no comments from the public, the hearing was closed at 9:03 a.m. and the following action was taken:

RESOLUTION NO. 2018 - 65

RESOLUTION OF FINAL ORDER OF THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT FORMING IMPROVEMENT DISTRICT NO. 15900, TO BE KNOWN AS DUTCH NUT PUMP, AND LEVYING A SPECIAL ASSESSMENT THEREIN
WHEREAS, the Board of Directors of the Turlock Irrigation District, on December 18, 2018, at 9:00 a.m., held a public hearing on the petition for formation of Improvement District No. 15900, to be known as Dutch Nut Pump, 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 Executive 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. 15900 is hereby approved and Improvement District No. 15900 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 2018 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 Macedo, seconded by Director Santos, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

Director Alamo returned to the meeting.

WEEKLY UPDATES

Line Division Manager Denver Hodges presented the report for the Electrical Engineering and Line Department for the month of November. The SAIDI (System Average Interruption Duration Index) year-to-date figure is 49.1. (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 monthly average for customers without power was 4.5 minutes. Major outage contributors in November show weather causing 39 percent, interference at 20 percent, equipment failure at 20 percent and third-party damage at 19 percent. Electrical Engineering Design received 62 job requests with 32 sent to the Line Department for completion. Construction lead time in November for contracted crews was one week for customer jobs. The crew structure in November consisted of one 2-person
crew, four 5-person crews and one 4-person contract crew. All November capital work was completed so crews will focus on assisting with grounding and de-energizing lines for the pole painting project.

Utility Analyst-Hydrology Olivia Cramer reported on current water conditions and forecast. Accumulated precipitation measured at the three mountain stations in the Tuolumne River watershed from September 1, 2018 to present total 9.36 inches, or 93 percent of normal to date. (Precipitation data is reset every year on September 1 and the water year figures are reset annually on October 1). San Francisco reservoirs contain 476,140 acre-feet and the Water Bank is at 568,585 acre-feet of credit. Don Pedro contains 1,419,267 acre-feet. Average combined releases are at 224 cubic feet per second with all going to the Tuolumne River. Computed natural flow is averaging 631 cfs, and Turlock Lake contains 27,891 acre-feet of water.

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

Moved by Director Frantz, seconded by Director Alamo, that the application of Manuel Bettencourt, dated December 11, 2018 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.

**MOTION APPROVING APPLICATION FOR INSTALLATION OF A 15-INCH SIDEGATE IN THE TURLOCK MAIN CANAL BY RODRIGO MALDONADO**

Moved by Director Frantz, seconded by Director Alamo, that the application of Rodrigo Maldonado, dated December 10, 2018 for installation of one 15” sidegate in Turlock Irrigation District’s Turlock Main Canal be approved.

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

Director Alamo questioned the flow measurement procedure for new sidegates, and the accuracy of the flow meters. Water Distribution Department Manager Mike Kavarian stated the new flow meters being installed are within half of a percent accurate though they are not at every location. The Board felt flow meters with telemetry options at various laterals with sidegates would be beneficial and staff agreed to look into the matter for the 2019 irrigation season.

**RESOLUTION NO. 2018 - 66**

**RESOLUTION ADOPTING AN AMENDMENT TO THE TURLOCK IRRIGATION DISTRICT'S RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN**

WHEREAS, Senate Bill 1078 requires the governing body of each local publicly owned electric utility to implement and enforce a Renewable Portfolio Standard; and
WHEREAS, Turlock Irrigation District (TID) adopted said policy on February 3, 2004, and amended said policy on June 27, 2006, July 17, 2007, and April 14, 2009 in accordance with the requirements of Senate Bill 1078; and

WHEREAS, Senate Bill 2 (First Extraordinary Session) was signed into law by California Governor Edmund G. Brown on April 12, 2011; and

WHEREAS, Senate Bill 2 (First Extraordinary Session) establishes that the governing board of the local publicly owned electric utility shall adopt a renewable resources procurement plan; and

WHEREAS, the California Energy Commission adopted final regulations, Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, which implements the requirements of Senate Bill 2 (First Extraordinary Session) on October 1, 2013; and

WHEREAS, Provisions in the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities establish that the governing body of a local publicly owned electric utility must adopt a Renewable Resources Procurement Plan within 60 days of the effective date of said regulations (December 1, 2013); and

WHEREAS, Senate Bill 350 was signed into law by California Governor Edmund G. Brown on October 7, 2015; and

WHEREAS, Senate Bill 350 establishes that the governing board of the local publicly owned electric utility shall adopt a renewable resources procurement plan; and

WHEREAS, the California Energy Commission adopted final regulations, Renewables Portfolio Standard Eligibility, which implements the requirements of Senate Bill 350 on April 27, 2017; and

WHEREAS, Senate Bill 100 was signed into law by California Governor Edmund G. Brown on September 10, 2018; and

WHEREAS, Senate Bill 100 establishes that the governing board of the local publicly owned electric utility shall adopt a renewable resources procurement plan; and

WHEREAS, the California Energy Commission adopted final regulations, Renewables Portfolio Standard Eligibility, which implements the requirements of Senate Bill 100 on September 10, 2018.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the TID Renewable Energy Resources Procurement Plan, which is attached and made part of this resolution, is hereby adopted effective December 18, 2018, in accordance with the requirements of Senate Bill 100.

Moved by Director Santos, seconded by Director Macedo, 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.

RESOLUTION NO. 2018 – 67

RESOLUTION AMENDING THE TURLOCK IRRIGATION DISTRICT'S RENEWABLE PORTFOLIO STANDARD ENFORCEMENT PROGRAM

WHEREAS, Senate Bill 100 was signed into law by California Governor Edmund G. Brown on September 10, 2018; and

WHEREAS, Senate Bill 100 establishes that the governing board of the local publicly owned electric utility shall adopt a program for the enforcement of a Renewable Portfolio Standard on or before January 1, 2019; and

WHEREAS, the TID adopted the Turlock Irrigation District Enforcement Plan on December 18, 2018, in accordance with the requirements of Senate Bill 100; and

WHEREAS, the California Energy Commission adopted final regulations, Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, which implements the requirements of Senate Bill 100; and

WHEREAS, the Turlock Irrigation District Enforcement Plan was amended to reflect provisions in Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities and the Turlock Irrigation District Renewable Resources Procurement Plan.

WHEREAS, Turlock Irrigation District adopted an enforcement plan in response to SB 2-1x and SB 350 on DATE and is updating that plan to address the new requirements of SB 100.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the Enforcement Program, which is attached and made part of this resolution, is hereby adopted effective December 18, 2018, in accordance with the requirements of Senate Bill 100.

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

The President declared the resolution adopted.
RESOLUTION NO. 2018 - 68

RESOLUTION ADOPTING THE AMENDED TURLOCK IRRIGATION DISTRICT DEFERRED COMPENSATION PLAN

WHEREAS, the Turlock Irrigation District provides the Turlock Irrigation District Deferred Compensation Plan to employees; and

WHEREAS, said deferred compensation plan was adopted in 1979, amended and restated effective December 31, 2005, and amended by Amendment No. 1 effective January 1, 2011; and

WHEREAS, said deferred compensation plan is 100% funded by the employee; and

WHEREAS, a Roth 457 is an IRS approved deferred compensation plan and the District now desires to offer a Roth 457 as an option to employees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the Turlock Irrigation District Deferred Compensation Plan, which has been amended to include a Roth 457 option is hereby approved.

Moved by Director Frantz, 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.

DISCUSSION REGARDING THE PROPOSED 2019 BUDGET

CFO/AGM Financial Services Brian Stubbert presented an overview of the 2019 budget and schedule of other charges noting no changes to the current electric rates. Director Alamo questioned if there was a long range plan to increase water rates at some point. Mr. Stubbert responded stating it is in the 20-year plan for rate adjustments to both water and power and staff will be working on a more comprehensive plan the first half of 2019. Director Frantz emphasized the continual need to be efficient while also being mindful of proposition changes. Director Alamo noted that complying with SBX7-7 is a continued increase in irrigation costs to the District and encouraged staff to keep that in mind going forward. Hearing no further comments, the Board took the following action:

RESOLUTION NO. 2018 - 69

RESOLUTION APPROVING TURLOCK IRRIGATION DISTRICT 2019 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 2019 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, 2019.

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, 2019.

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

Moved by Director Santos, seconded by Director Macedo, 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 MEETING’S OF DECEMBER 25, 2018 AND JANUARY 1, 2019

Moved by Director Macedo, seconded by Director Frantz, that the regular meetings of the Board of Directors of the Turlock Irrigation District scheduled for December 25, 2018, and January 1, 2019 be canceled.

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

RESOLUTION NO. 2018 - 70

RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF TURLOCK IRRIGATION DISTRICT WARRANTS FROM DECEMBER 19 THROUGH DECEMBER 25, 2018

WHEREAS, because the Board of Directors will not hold its regular meeting on December 25, 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 19 through December 25, 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 8, 2019, 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 MANAGERS REPORT

General Manager Casey Hashimoto reported on a recent meeting he had with Turlock’s incoming mayor, Amy Bublak, to discuss several topics including the history of the SRWA Regional Water Project. Mr. Hashimoto stated he reviewed the timeline for the project noting it was a good discussion and he asked her to contact him if she had further questions. Director Frantz asked if she was requesting more time to review the project and Mr. Hashimoto stated that was not his impression though he assumed she would discuss further with City of Turlock staff. He also stated the project is moving forward as the infiltration gallery is almost ready for testing and the District has received no indication from SRWA that the project will be delayed.

BUSINESS OF THE BOARD

Director Macedo stated he was unable to attend the Don Pedro Board of Control meeting on December 14 so AGM of Water Resources Tou Her presented the report. Mr. Her stated it was the last meeting of the year and well attended. New concessionaires, Suntex, presented a comprehensive report on what projects they have completed and plans for 2019. Mr. Her also noted that the current Recreation Department Manager Chris Collett will be retiring next year so an Interim Division Manager has been put in place with a full recruitment for the Department Manager’s position taking place in 2019.
Director Alamo reported on his attendance at the California Farm Water Coalition meeting. He stated the 2019 budget was approved and noted transportation costs were down due to an increase in teleconferenced meetings.

Director Frantz reported on his attendance at the December 12th public hearing of the State Water Resources Control Board regarding the Bay Delta Plan. The State Water Board did adopt the plan as anticipated but added special wording to the resolution allowing comparability with the voluntary settlement agreements.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Alamo, seconded by Director Macedo, that the regular meeting of the Board of Directors be adjourned:

1. Conference with Legal Counsel – Existing Litigation
   California Government Code Section 54956.9(a)
   Stipulations: Robert Middleton, Workers’ Compensation Claim#TID17-00006
   Dan DeSomma, Workers’ Compensation Claim#TID16-00012
   Compromise & Release: Joshua Griffith, Workers’ Compensation Claim#TID17-00015
   State of California, Division of Workers’ Compensation Appeals Board
   - Jorian Reed, Director of Human Resources
   - Joe Barlupo, Legal Counsel

2. Public Employee Performance Evaluation
   California Government Code section 54957(b)(1)
   Title: General Manager

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

REPORT OF ANY ACTION TAKEN IN CLOSED SESSION

The President announced no reportable action was taken in closed session.

MOTION TO ADJOURN

Moved by Director Alamo, seconded by Director Santos, 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