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

Turlock, California
5 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 5th 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 November 21, 2017.
B. Demands against the District represented by check numbers 368858 to 369150, inclusive, in the amount of $46,951,254.29.

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

PUBLIC COMMENT PERIOD

There was none.

WEEKLY UPDATES

Wes Kellison, Energy Trader, reviewed operations for the week of November 24 - 30. The daily system peak, including partial required sales, reached 314 megawatts on November 28. 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 31 percent. The Tuolumne Wind Project (TWP) generated 7,116 MWh’s during this time period at the Willis Substation. Natural gas prices at Pacific Gas & Electric Company’s Citygate were $3.03/mmBTU. Electric operations for this period show Walnut Energy Center fully available with Unit 1 offline for economic purposes; Boardman has been offline for economics since October 28; Almond 1 was out of service for 2 days due to a tube leak; Almond ran 3 days for operations, and all Don Pedro units will be out of service through December.
Utility Analyst 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 93 percent of normal to date. Computed natural flow is averaging 972 cfs. San Francisco reservoirs contain 372,436 acre-feet. Don Pedro contains 1,627,015 acre-feet. Average combined releases are at 333 cubic feet per second with 2 cfs going to TID, 0 cfs to Modesto Irrigation District, and the remaining 331 cfs going to the Tuolumne River. Don Pedro Water Bank is at 557,593 acre-feet of credit and Turlock Lake contains 26,488 acre-feet of water.

MOTION APPROVING APPLICATION FOR INSTALLATION OF A 15-INCH SIDEGATE IN THE CERES MAIN CANAL BY DWAYNE NELSON

Moved by Director Frantz, seconded by Director Macedo, that the application of Dwayne Nelson, dated November 28, 2017 for installation of one 15” sidegate in Turlock Irrigation District’s Ceres Main Canal be approved.

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

RESOLUTION NO. 2017 - 79

RESOLUTION APPROVING MEMORANDIUM OF UNDERSTANDING BETWEEN TURLOCK IRRIGATION DISTRICT AND THE TURLOCK IRRIGATION DISTRICT EMPLOYEES’ ASSOCIATION

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that the Memorandum of Understanding, effective January 1, 2018, through December 31, 2021, which was jointly prepared by representative of the Turlock Irrigation District (District) and the Turlock Irrigation District Employees’ Association (TIDEA) and presented to this Board in accordance with Government Code Section 3505.1, is hereby approved, and that the General Manager is hereby authorized and directed to sign the Memorandum of Understanding on behalf of the District. In addition the revision of one (1) current job classification ‘Park Maintenance Worker I-II’; and the revision of one (1) current job title and job classification ‘Fleet Small Equipment and Tool Technician’ be included to amend the Turlock Irrigation District Classification Manual.

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.
RESOLUTION NO. 2017 - 80

RESOLUTION APPROVING THE ABANDONMENT AND SEALING OF SEVEN MONITORING WELLS

WHEREAS, the Turlock Irrigation District installed seven groundwater monitoring wells in 2005 as part of the aquatic pesticide lawsuit against the District to determine whether Magnacide-H was impacting the groundwater beneath the treated canals; and

WHEREAS, no impact was detected, monitoring was discontinued, and the wells have served their intended purpose and are no longer needed; and

WHEREAS, a permit is required by Stanislaus and Merced counties to abandon the monitoring wells and have them sealed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District resolution authorizing the Director of Water Resources and Regulatory Affairs to obtain the permits from Stanislaus and Merced counties to abandon and seal the seven monitoring wells is hereby approved.

Moved by Director Macedo, 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.

RESOLUTION NO. 2017 - 81

RESOLUTION TO RESCHEDULE ELECTION OF DIRECTORS FROM ODD TO EVEN YEARS

WHEREAS, the Board of Directors of the Turlock Irrigation District consists of five members elected from five Divisions within the District; and

WHEREAS, Election Code § 1304 sets forth the general rule that Irrigation District board members serve staggered terms and are elected in odd numbered years, and statewide general elections are held in California in even numbered years; and

WHEREAS, the next board member election for Divisions 1 and 4 are currently scheduled for November 2019, and the next board member election for Divisions 2, 3, and 5 are currently scheduled for November 2021; and
WHEREAS, Election Code § 14050 through 10457 known as the *California Voter Participation Rights Act* requires districts to adopt a plan by January 1, 2018 to transition their governing board elections to the same date as statewide general elections conducted in even numbered years if past governing board elections held on election dates in odd numbered years had 25% less voter turnout than the average voter turnout for the previous four statewide general elections; and

WHEREAS, based on the history of voter participation within the boundaries of the District, the District is required by January 1, 2018, to adopt a plan to transition to even numbered year statewide general elections, to be implemented by the November 8, 2022, statewide general election; and

WHEREAS, Elections Code § 1303(b) establishes a procedure whereby the Board may change the election date for its Board members by adopting a resolution seeking approval of the change by the Board of Supervisors of the affected county; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Turlock Irrigation District that the election date for members of the Board be consolidated with the date for the California general election on the first Tuesday after the first Monday in November of each even numbered year.

BE IT FURTHER RESOLVED that the General Manager will forward this resolution to the Boards of Supervisors of Stanislaus and Merced Counties requesting formal approval of the change by the Boards of Supervisors at a public meeting held within 60 days after submission and after the resolution has been made public and posted in accordance to Election Code 10404(e) unless the Board of Supervisors finds that the ballot style, voting equipment or computer capacity is such that additional elections or materials cannot be handled.

BE IT FURTHER RESOLVED that if the consolidation of election is approved by the Boards of Supervisors of Stanislaus and Merced Counties, the terms of office of all members of the Board of Directors shall be extended one (1) year as follows:

<table>
<thead>
<tr>
<th>Division</th>
<th>Positions Held by Current Board Member</th>
<th>Elections Conducted</th>
<th>Current Election Year Cycle</th>
<th>Proposed Election Year Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Michael Frantz</td>
<td>2015</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>2</td>
<td>Charles Fernandes</td>
<td>2017</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>3</td>
<td>Joe Alamo</td>
<td>2017</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>4</td>
<td>Robert Santos</td>
<td>2015</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>5</td>
<td>Ron Macedo</td>
<td>2017</td>
<td>2021</td>
<td>2022</td>
</tr>
</tbody>
</table>

Board member elections in 2015 and 2017 will be for a five (5) year term. Subsequent Board member elections in 2020 and 2022 will be for a four (4) year term.
BE IT FURTHER RESOLVED that the District will pay the Stanislaus and Merced Counties’ Registrar of Voters for the expense of mailing the notice of approval of the change in election dates as required by Election Code § 10404(f).

BE IT FURTHER RESOLVED that the General Manager and his designees are hereby authorized and directed to take any other steps necessary to effectuate the purpose and intent of 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.

RESOLUTION NO. 2017 - 82
RESOLUTION APPROVING TURLOCK IRRIGATION DISTRICT INVESTMENT POLICY AND AUTHORIZING THE TREASURER TO PERFORM INVESTMENT ACTIVITY

WHEREAS, the California Government Code requires that Turlock Irrigation District (“District”) annually review its Investment Policy and annually delegate the authority to its Treasurer to perform investment activity on its behalf; and

WHEREAS, the Treasurer has reviewed said policy and has determined that certain changes in said policy are necessary at this time.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the District’s revised Investment Policy dated December 5, 2017 be approved and that the Treasurer be authorized to perform all investment activity on behalf of the District.

Moved by Director Frantz, 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.
AGM Power Supply Brad Koehn reviewed the proposed 2018 budget for the Power Supply Administration. Allocations for 2018 will be 81 full time employees, a reduction of 2 full time positions due to the transfer of those classifications to the General Managers Administration. The capital budget is proposed at $12.9 million with large expenditure items being replacement parts at the Walnut Energy Center totaling $4.5 million, the Don Pedro Upgrade Project at $3.8 million, and natural gas reserve costs at $1.6 million. The proposed Operations and Maintenance budget totals $49.7 million, down slightly by 2.9 percent when compared to 2017. Mr. Koehn also reviewed the proposed 2018 operating budget for the Walnut Energy Center and the Tuolumne Wind Project.

Accounting Department Manager Martin Qualle reviewed proposed miscellaneous rates and fees for 2018. Damaged meter charges will remain the same as 2017 and Hourly Work Billed to Others (WBO) rates have been adjusted to reflect current wages and benefits for 2018. Through October 31, there have been 198 WBO events. WBO rates are external charges for damages to District property and work performed for private parties, including public agencies. The District equipment rates are determined by the cost of maintenance and comparison with other public agencies and local rental rates. There was no increase to these rates in 2017 and staff recommends no changes in 2018. Materials and Service Schedule of Charges have been updated to reflect current inventory prices based on weighted average and Civil Engineering adjusted Schedule of Charges to reflect current costs. Director Frantz questioned if it would be beneficial to no longer store supplies we normally make available to contractors when performing district related work. Mr. Qualle noted that older parts are included in this inventory which are needed for work performed on older equipment still being utilized by the District so it would not be cost-effective to eliminate these items from inventory.

MOTION ADJOURNING FOR A MEETING OF THE WALNUT ENERGY CENTER AUTHORITY

Moved by Director Macedo, seconded by Director Frantz, that the regular meeting be adjourned for a meeting of the Walnut Energy Center Authority.

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

RECONVENED

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:33 a.m. with all officers present as per the previous session.

MOTION ADJOURNING FOR A MEETING OF THE TUOLUMNE WIND PROJECT AUTHORITY

Moved by Director Macedo, seconded by Director Santos, that the regular meeting be adjourned for a meeting of the Tuolumne Wind Project Authority.
All voted in favor with none opposed. The President declared the motion carried.

RECONVENED

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:37 a.m. with all officers present as per the previous session.

GENERAL MANAGER’S REPORT

General Manager Casey Hashimoto reported on his attendance at the ACWA Fall Conference the previous week. He also introduced the District’s new CFO/AGM of Financial Services Brian Stubbert.

BUSINESS OF THE BOARD

Directors Macedo and Fernandes reported on their attendance at the ACWA Fall Conference the previous week.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Frantz, seconded by Director Alamo, 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)
    Shelton v. TID
    State of California, Division of Workers’ Compensation Appeals Board
    Case Number 139-7643
    - Martin Purdy, Director of Human Resources
    - Charlotte Dutra, Human Resources Analyst
    - Joe Barlupo, Legal Counsel

2. Conference with Labor Negotiator
    California Government Code Section 54957.6
    Agency Negotiators: Casey Hashimoto/Martin Purdy
    Employee Organizations: Managerial, Supervisory, Professional & Confidential

3. Conference with Legal Counsel – Anticipated Litigation
    California Government Code Section 54956.9(d)
    Anticipated Litigation – one potential case
    - Steve Boyd, Director of Water Resources and Regulatory Affairs
    - Art Godwin, Legal Counsel
    - John Devine, Senior Vice President-HDR Consulting

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.

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