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

Turlock, California
16 April 2019

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 16th day of April 2019. Present were: Directors Michael Frantz, Joe Alamo and Ron Macedo, General Manager Casey Hashimoto and Executive Secretary to the Board Tami Wallenburg. Absent were: Directors Charles Fernandes and Rob Santos.

Due to the absence of the President and Vice-President, the meeting was called to order by Executive Secretary to the Board Tami Wallenburg.

SALUTE TO THE FLAG

MOTION APPOINTING PRESIDENT PRO TEM

Executive Secretary to the Board Tami Wallenburg asked for a motion appointing a President Pro-Tem to reside over today’s meeting.

Moved by Director Alamo, seconded by Director Frantz, that Director Macedo be appointed President Pro-Tem. All voted in favor with none opposed.

The Executive Secretary to the Board declared the motion carried.

MOTION APPROVING CONSENT CALENDAR

Moved by Director Frantz, seconded by Director Alamo, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of April 9, 2019.
B. Demands against the District represented by check numbers 382746 to 382969, inclusive, in the amount of $11,873,485.68.

All voted in favor with none opposed (Directors Fernandes and Santos were absent). The President Pro-Tem declared the motion carried.

PUBLIC COMMENT PERIOD

There was none.
PUBLIC HEARING – INCLUSION INTO ID NO. 00520
KNOWN AS THE DELHI STATE LAND SETTLEMENT

A public hearing was opened at 9:02 a.m. to receive comments from the public regarding the proposed inclusion into ID No. 00520, known as the Delhi State Land Settlement. Director Frantz asked whether there was any opposition from the improvement district members and Water Distribution Department Manager Mike Kavarian stated there was none. Hearing no further comments, the hearing was closed at 9:03 a.m. and the following action was taken:

RESOLUTION NO. 2019 - 14

RESOLUTION OF FINAL ORDER OF THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT APPROVING INCLUSION OF ADDITIONAL LAND INTO IMPROVEMENT DISTRICT NO. 00520, KNOWN AS DELHI STATE LAND SETTLEMENT

WHEREAS, the Board of Directors of the Turlock Irrigation District on April 16, 2019 at 9:00 a.m., held a public hearing on the petition for inclusion of additional land into Improvement District No. 00520, known as Delhi State Land Settlement, 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. Fifteen Thousand, Nine Hundred Forty-Six and 48/100 dollars ($15,946.48) 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. 00520 is hereby approved, and that the lands described in Exhibit A is hereby included within the improvement district.

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

Upon roll call the following vote was had:

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

The President Pro-Tem declared the resolution adopted.

WEEKLY/MONTHLY REPORTS

Line Division Manager Denver Hodges presented the report for the Electrical Engineering and Line Department for the month of March. The SAIDI (System Average Interruption Duration Index) year-to-date figure is 7.2. (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 2.9 minutes. Major outage contributors in March show unknown causes at 44 percent, third-party at 43 percent, equipment failure at 13 percent and interference at 1 percent. Electrical Engineering Design received 62 customer job requests with 82 total requests sent to the Line Department for completion. Construction lead time for contracted crews was one week for customer jobs. The crew structure consisted of one 2-person crew, three 5-person crews, one 6-person crew and one 4-person contract crew.

Trading and Scheduling Division Manager Bill Bacca reviewed operations for the month of March. The daily system peak, including partial required sales, reached 309 megawatts on March 14. The load was met with TID hydro, thermal generation, wind exchange, short and long-term firm, renewables and spot purchases. The Tuolumne Wind Project (TWP) generated 14,019 MWh’s during this time period at the Willis Substation, averaging at 14 percent of capacity. Natural gas prices at Pacific Gas & Electric Company’s Citygate averaged out at $4.02/mmBTU. Electric operations for this period show there was very strong pricing the first few days of March so all of the Walnut Energy Center and the Almond Power Plants ran with some contract energy left in the Northwest; pricing became very weak towards the end of the month so WEC went offline; Hydro generation was steady and Don Pedro Unit 1 is expected to return to service the second week of May. Director Macedo commended Mr. Bacca and the Energy Trading staff for their expertise in buying and selling power at optimal times to keep district rates competitive.

Water Distribution Department Manager Mike Kavarian reviewed irrigation activity for the period of April 8-14. Water orders taken during this period totaled 1,097 with an additional 348 orders received the previous day. Flows ranged between 760 to 490 cfs. Daily releases from Turlock Lake averaged 670 cfs, or 170 cfs below projections. There have been some issues with irrigators not having their pin numbers for parcels needing water so staff has been working with customers by assisting them in locating their pins and also verifying historical data to confirm the
caller has rights to irrigate the parcel. Mr. Kavarian explained that pin numbers are randomly
created by the system and were implemented to create added security and privacy for customers.
Director Alamo suggested a feature to allow customers to create their own pins, making it easier
for them to remember numerous pins for each parcel. Mr. Kavarian also stated that the District
will utilize approximately 80 rented pumps this season which staff expects to begin using towards
the end of May as needed.

RESOLUTION NO. 2019 - 15

RESOLUTION AUTHORIZING SURVEY AND PREPARATION OF
CHARGES FOR PROPOSED ASSESSMENT OF PROPOSED
INCLUSION INTO IMPROVEMENT DISTRICT NO. 00520,
KNOWN AS THE DELHI STATE LAND SETTLEMENT

WHEREAS, a petition for the inclusion of additional land into Improvement District No.
00520, having been received by the Board of Directors of the Turlock Irrigation District, which
petition was properly filed and signed by all the owners of the additional land in accordance with
California Water Code Section 23875-23876.

NOW, THEREFORE BE IT HEREBY ORDERED that the Turlock Irrigation District's
Water Resources Administration make a survey of the proposed inclusion. If, upon completion of
such survey, the Water Resources Administration finds that the proposed inclusion is feasible, the
Water Resources Administration is further ordered to prepare a statement of the proposed charge
for such inclusion according to the benefits that will accrue to each parcel of land proposed to be
included into the improvement district.

IT IS FURTHER ORDERED that any survey and statement of proposed charge prepared
pursuant to this resolution be filed with the Executive Secretary of the Turlock Irrigation District
and said documents shall be subject to the inspection of all interested parties.

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

Upon roll call the following vote was had:

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

The President Pro-Tem declared the resolution adopted.

DISCUSSION REGARDING REPLACEMENT OF DAMAGED EXCAVATOR

Fleet and Plant Services Division Manager Matt Lopes reviewed events leading up to
todays proposed action to replace a damaged excavator. The Caterpillar 324E Excavator was
vandalized and destroyed by fire the end of December (onboard GPS quit reporting on December
27, 2018 around 5 a.m.) and was located by District personnel on January 3, 2019. It was last used
on December 21st and was left on the jobsite along the Highline Canal between Merced and Hinton
Avenues. Mr. Lopes stated this was standard practice for the District as hauling heavy equipment
in and out of the District’s yard every day would be time consuming and costly. He then reviewed replacement options including cost scenarios for purchasing a new excavator, a used model (which is currently not available), leasing and renting. Long-term leasing counts toward the District’s CARB off-road emission requirements but is not desirable in the long run due to on-going costs to the District. Renting is the least desirable option as costs remain high indefinitely and does not count toward off-road emission requirements. Another draw-back to renting would be the need to purchase approximately $300,000 of additional equipment to replace an equal amount of horsepower by 2023 for CARB compliance. After reviewing each option, it was determined the lowest overall financial impact to the District would be to purchase a new model, which would also incorporate a portion paid by insurance, and would be CARB compliant. Director Frantz asked if the District had other excavators it could utilize and Mr. Lopes stated there are other excavators within the fleet but each have their own specialties used for specific jobs. The damaged excavator was utilized for long-arm reaches in drains and canals which cannot be reached by the smaller models. General Manager Casey Hashimoto stated he has directed staff to look into a more secure method of storing the excavator closer to District facilities and not leaving heavy equipment in remote areas where they are exposed to vandalism. Hearing no further comments, the Board took the following action:

**RESOLUTION NO. 2019 – 16**

RESOLUTION APPROVING ADDITIONAL CAPITAL FUNDS FOR THE REPLACEMENT OF DAMAGED EXCAVATOR

WHEREAS, the Turlock Irrigation District owns the 324E Excavator; and

WHEREAS, the 324E Excavator was damaged at a total loss; and

WHEREAS, the necessary replacement of the excavator is requested.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the replacement of the excavator utilizing additional capital funds 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 Frantz, Alamo, Macedo
Noes: Directors - None
Absent: Directors Fernandes, Santos

The President Pro Tem declared the resolution adopted.

**MOTION APPROVING AND ACCEPTING 2018 CONSULTING ENGINEER’S REPORT**

Moved by Director Alamo, seconded by Director Frantz, that the Consulting Engineer’s Report prepared by Leidos, pursuant to Section 714.4 of Resolution No. 86-164, containing
comments on the operation of Turlock Irrigation District’s irrigation and electric systems during fiscal year 2018, and recommendations for future operations that may be deemed necessary or appropriate is hereby approved and accepted.

All voted in favor with none opposed (Directors Fernandes and Santos were absent). The President Pro Tem declared the motion carried.

EXTERNAL AFFAIRS REPORT

AGM External Affairs Michelle Reimers introduced new Regulatory Analyst, Austin Avery, who began employment with the District on April 16th.

Government Affairs Manager Josh Weimer reviewed several legislative items having potential impact to the District as well as reviewing the different governing styles of the previous governor compared to the current governor, Gavin Newsom. He noted there has been over 2,500 pieces of legislation introduced with 900 of those being spot bills (these put an item in the queue but allows additional wording added later and are normally referred to as reactionary bills). The PG&E bankruptcy remains a hot topic in Sacramento with over 40 Wildfire bills introduced this year, some involving transmission lines and the creation of a wildfire insurance fund for recovery and restoration purposes. AB 56 was introduced to create a new agency in California which would be tasked with assessing Investor Owned Utilities (IOUs) such as PG&E, and then providing a recommendation. There are also several bills introduced on Bio-Mass, pumped hydro and storage, which legislative and regulatory staff will continue to monitor. Mr. Weimer also reviewed the following bills:

SB386 – This bill would include hydroelectric as part of the Renewable Portfolio Standard for TID, Modesto Irrigation District and Merced Irrigation District. TID staff is assisting the author of this bill and is scheduled to be heard the following Wednesday in Sacramento.

SB487 – This bill would fund the ASO (cloud-seeding) program statewide for 10 years. Mr. Weimer stated it is a costly senate bill and staff is currently working on the actual value of the bill but he feels it will probably stall once it reaches the Appropriations Committee.

AB557 – This bill is a one-time $9.25 million appropriation from the General Fund to amend Section 347 of the existing Water Code by improving the accuracy of forecasting atmospheric river events. Mr. Weimer emphasized this bill supports new technology and would be in addition to and not replace this section of the Water Code.

REPORT OF TID’S AUDITED FINANCIAL STATEMENTS

CFO/AGM Financial Services Brian Stubbert thanked Accounting Department Manager Martin Qualle and Finance Manager Jesse Kirschner for all their hard work going into the annual audit as the District transitioned into working with a new audit firm this year. He then introduced Julie Desimone, a partner from the auditing firm of Moss Adams.

Ms. Desimone reviewed the District’s audited financial statements for years ending December 2018 and 2017.
MOTION APPROVING AND ORDERING
PUBLICATION OF FINANCIAL CONDITION

Moved by Director Alamo, seconded by Director Frantz, to approve and verify, pursuant to Water Code Section 24274, the Financial Report for the Twelve Months Ended December 31, 2018 disclosing the financial condition of the Turlock Irrigation District for that period, and to direct that the notice required by Water Code Section 24275 be published in the Turlock Journal.

All voted in favor with none opposed (Directors Fernandes and Santos were absent). The President Pro Tem declared the motion carried.

GENERAL MANAGER’S REPORT

General Manager Casey Hashimoto had no new items to report.

BUSINESS OF THE BOARD

There was none.

MOTION TO ADJOURN

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

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

Tami Wallenburg
Executive Secretary to the Board of Directors