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

Turlock, California
21 April 2020

The meeting of the Board of Directors of the Turlock Irrigation District was called to order at 9:00 a.m. in regular session via Zoom videoconference on the 21st day of April 2020. Attending via Zoom Videoconference were: Directors Rob Santos (President, Michael Frantz (Vice-President), Ron Macedo (Secretary), Joe Alamo and Charles Fernandes, General Manager Michelle Reimers and Executive Secretary to the Board Tami Wallenburg.

The Board President read the following statement:

“Good morning, thank you for tuning into the TID Board of Directors meeting. Conducting a remote meeting is new for us. We recognize that some technical issues might arise during this meeting. We ask that you bear with us as we all navigate this new reality. While we aren’t in the TID board room today, I must say it feels good to hold this meeting and continue to perform work for TID customers and conduct business on their behalf. We appreciate everyone attending the meeting over the phone or computer. This meeting is being digitally recorded, and the Board Secretary is taking minutes as well. Materials presented will be made available online at tid.org.

We encourage public participation during the Board meeting. Much like an in-person TID Board meeting, we’ll receive public comment during the ‘Public Comment Period’ portion of the agenda early on, as well as receive comment on specific agenda items. If you submitted comments by 3 pm yesterday, your comments will be read into the record during our public participation portion of the meeting. If you want to comment on matters not listed on the agenda please click the ‘raise hand feature’ on Zoom to do so when I ask for public participation (Or you can do it now). If you’re participating via phone, please press (Star) 9 to raise your hand over the phone. When the time arrives to receive comment, staff will announce participants who have raised their hand and unmute participants one-by-one to provide comment. When their time comes in the queue, individual participants will need to unmute their device prior to speaking. For those who would like to comment or ask a question on items listed on the agenda, please use the ‘raise hand feature’ during the presentation of that item.

We understand it may take a few attempts to get everything right, but we are all here together to conduct TID business in the spirit of civility for the good of TID customers. I thank you in advance for your patience and understanding. With that, let’s get the meeting started.”

PLEDGE OF ALLEGIANCE
MOTION APPROVING CONSENT CALENDAR

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

A. Minutes of the regular meeting of March 17, 2020.
B. Demands against the District represented by check numbers 392170 to 392970, inclusive, in the amount of $38,740,715.28.

A roll call vote was taken with all voting in favor and none opposed (Directors voted via teleconference). The President declared the motion carried.

PUBLIC COMMENT PERIOD

Customer Milt Treweiler commended the District for its vision and foresight many years ago in regards to utilizing the Tuolumne River for irrigation and encouraged board members and staff to be the leaders in moving forward with a community solar project. He stated the planet is getting warmer with increased droughts due to global warming caused by greenhouse gases and asked the board to continue that same vision and foresight by researching the possibility of solar farms on the east side of the county. Director Santos thanked him for his comments.

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 18.1. (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 March monthly average for customers without power was 6.1 minutes. March outage contributors show weather at 10 percent, animal interference at 16 percent, equipment failure at 51 percent and third-party (car/pole events) at 23 percent. Electrical Engineering Design received a total of 69 job requests including 53 customer requests. Overall, 65 job requests were sent to the Line Department for completion. Construction lead time for the month was one week for customer jobs. The crew structure consisted of one 2-person crew and five 5-person crews. Mr. Hodges noted that capital work will increase going forward.

Trading and Scheduling Division Manager Bill Bacca reviewed operations for the month of February. The Balancing Authority Area daily estimated system peaks averaged 318 megawatts for the month. The load was met with Thermal at 58.8 percent, TID hydro at 12.3 percent, Wind Exchange at 15.3 percent, ACS Specified at 3.5 percent and Wind/Solar at 8.7 percent. The Tuolumne Wind Project (TWP) generated 35,578 MWh’s during the month of March at the Willis Substation, averaging at 36 percent of capacity. Natural gas prices at Pacific Gas & Electric Company’s Citygate averaged out at $2.55/mmbtu. Mr. Bacca also reviewed Powerdex pricing for the month using the hour-ahead market index and CAISO’s day-ahead and hour-ahead market selling prices. Behind the meter solar generation show 4,936 MWh for the month. The Almond 2 Power Plant generated 1,019 MWh, and Walnut Energy Center (WEC) generated 145,004 MWh. Electric operations for this period show Don Pedro Unit 3 was out of service from February 3 to March 13 for annual maintenance; WEC was offline for three days for economics; Almond ran 4
Utility Analyst/Hydrology Olivia Cramer reported on current water conditions. Accumulated precipitation measured at the three mountain stations in the Tuolumne River watershed from September 1, 2019 to present total 20.46 inches, or 62.5 percent of normal to date. Snow sensors used in the Tuolumne River forecast show 57.3 percent of average for the date with freezing levels at the 7,000 ft. elevation level. The 8-day precipitation forecast is showing less than .03 of an inch in the upper watershed with the 16-day forecast showing no precipitation. San Francisco reservoirs contain 501,583 acre-feet and the Water Bank is at 539,623 acre-feet of credit. CCSF releases for the past 7-days averaged at 1,068 cfs with 382 cfs in diversions. Don Pedro contains 1,698,184 acre-feet and is currently at 802.6 elevation. Average combined releases were 1,670 cubic feet per second with 489 cfs to TID canals, 404 cfs to Modesto Irrigation District and the remaining 776 cfs going to the Tuolumne River. Computed natural flow for the current water-year is averaging 3,583 cfs, and computed natural flow to date is 404,263 af or 43.2 percent of average. Turlock Lake contains 16,992 acre-feet of water. The updated weekly watershed report shows Don Pedro elevation increased over a foot when compared to the previous week.

Water Distribution Department Manager Mike Kavarian reported on activity from April 13-19. Water orders received during this time period totaled 1,400 with an additional 330 orders the previous day. Orders placed show 62.7 percent of customers utilizing flood-type irrigation, 27.8 percent using micro/drip, and 9.5 percent using solid set type. Flows ranged between 845 to 265 cfs. Daily releases from Turlock Lake averaged 645 cfs, or 195 cfs below projections.

REPORT OF TID’S AUDITED FINANCIAL STATEMENTS

CFO/AGM Financial Service Brian Stubbert wished to thank accounting staff for their hard work retrieving necessary documents for this year’s audit. Due to the onset of the Covid pandemic, there was minimal staff onsite to work with the auditors with many pertinent documents needing to be scanned and sent electronically. He then introduced Julie Desimone of the auditing firm of Moss Adams.

Auditor Julie Desimone thanked District staff noting they were “phenomenal” to work with during such an unprecedented time. She then reviewed the audited financial statements for years ending December 31, 2019 and 2018. Board members asked questions regarding the transfer of short term to long term debt and commercial paper numbers for the Walnut Energy Center. Board President Rob Santos then asked for public comment, there was no public comment. Hearing no further comments, the Board took the following action:

MOTION APPROVING AND ORDERING PUBLICATION OF FINANCIAL CONDITION

Moved by Director Frantz, seconded by Director Macedo, to approve and verify, pursuant to Water Code Section 24272, the Financial Report for the Twelve Months Ended December 31, 2019 disclosing the financial condition of the Turlock Irrigation District for that period, and to direct that the notice required by Water Code Section be published in the Turlock Journal.
A roll call vote was taken with all voting in favor and none opposed (Directors voted via teleconference). The President declared the motion carried.

**MOTION ACCEPTING TREASURER’S REPORT ON TURLOCK IRRIGATION DISTRICT’S INVESTMENT PORTFOLIO AND SUMMARY OF INVESTMENT ACTIVITY**

Moved by Director Alamo, seconded by Director Fernandes, that the Investment Portfolio dated March 31, 2020 which was prepared by Public Financial Management, Inc. for the Turlock Irrigation District (District) and reviewed by the Board of Directors be hereby accepted, and that the Board of Directors hereby acknowledges the opinion of Treasurer Brian Stubbert, confirming the Investment Portfolio is in compliance with the District’s Investment Policy and verifying the District has the ability to meet budgeted expenditures for the next six months.

A roll call vote was taken with all voting in favor and none opposed (Directors voted via teleconference). The President declared the motion carried.

**DISCUSSION REGARDING THE CONSULTING ENGINEERS REPORT**

CFO/AGM Financial Services Brian Stubbert presented the annual Consulting Engineer’s Report (now known as the Annual Operations Review). He noted the purpose of the report is to evaluate the District’s power and irrigation systems verifying they are capable of meeting customer demand while responding to new and upcoming changes. Board President Rob Santos asked for public comment with customer Milt Trewiler requesting an electronic copy of the complete report. Hearing no further comments, the Board took the following action:

**MOTION APPROVING AND ACCEPTING 2019 CONSULTING ENGINEER’S REPORT**

Moved by Director Alamo, seconded by Director Macedo, 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 2019, and recommendations for future operations that may be deemed necessary or appropriate is hereby approved and accepted.

A roll call vote was taken with all voting in favor and none opposed (Directors voted via teleconference). The President declared the motion carried.

**DISCUSSION REGARDING THE PROPOSED AMENDMENT TO THE TID WILDFIRE MITIGATION PLAN**

Electrical Engineering and Operations Department Manager Ed Jeffers introduced Daniel Zaragoza of GridSME. He presented steps leading to today’s presentation stating the District presented its Wildfire Mitigation Plan (WMP) in accordance with PUC Section 8387(3) and 8387© at an appropriately noticed public meeting on November 5, 2019, and received WMP approval from the TID Board of Directors. The District then contracted with Grid Subject Matter Experts (GridSME) to provide an independent evaluation of our WMP to review and assess the comprehensiveness of the WMP. After reviewing the assessments in its entirety, Mr. Zaragoza
presented the summary stating “TID’s goal is to comply with California SB 901, PUC Section 8387, and to operate its electrical lines and equipment in a manner that will minimize the risk of wildfire posed by those electrical lines and equipment. Following an independent evaluation of TID’s WMP, GridSME concludes TID’s WMP is comprehensive and meets the requirements of PUC Section 8387.” Board members asked several questions regarding the use of pilots, drones and infrared technology to which Mr. Zaragoza responded.

Board President Rob Santos then asked for public comment, there was no public comment. Hearing no comments, the Board took the following action:

**RESOLUTION NO. 2020 - 16**

**RESOLUTION ACCEPTING THE INDEPENDENT EVALUATION REPORT AND ADOPTING THE AMENDED WILDFIRE MITIGATION PLAN**

WHEREAS, on November 5, 2019 the Turlock Irrigation District (‘TID’) Board of Directors adopted the TID Wildfire Mitigation Plan; and

WHEREAS, in accordance with Public Utilities Code § 8387, staff hired GridSME to conduct an Independent Review of the TID Wildfire Mitigation Plan; and

WHEREAS, during the course of its review, Grid SME recommended minor edits to the Wildfire Mitigation Plan to improve clarity; and

WHEREAS, TID must submit the Wildfire Mitigation Plan to the Wildfire Safety Advisory Board.

NOW, THEREFORE BE IT RESOLVED the Board of Directors of the Turlock Irrigation District accepts GridSME’s Independent Evaluation Report finding the TID Wildfire Mitigation Plan to be comprehensive and in compliance with the requirements of Public Utilities Code § 8387; and, that the TID Board of Directors adopts the amended Wildfire Mitigation Plan and authorizes its release to the Wildfire Safety Advisory Board.

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, Alamo, Macedo, Santos
- **Noes:** Directors - None
- **Absent:** Directors - None

(Directors voted via teleconference) The President declared the motion carried.
DISCUSSION REGARDING THE PROPOSED AMENDMENT TO THE TID/SRWA WATER SALES AGREEMENT AND LEASE AGREEMENT

Civil Engineering Department Manager Phil Govea reviewed the project to date. In 2015, the District and the Stanislaus Regional Water Authority (SRWA) entered into an agreement that provided up to 30,000 af of surface water for the SRWA’s Regional Surface Water Supply Project. Since that time, significant progress has been made toward implementing the Project. The SRWA obtained grant funding in the amount of $31.5 million and also engaged the State of California’s Clean Water State Revolving Fund (SRF) program to obtain a low-interest loan to fund the majority of the Project. The District has also made progress by preparing and submitting a change petition to the State Water Resources Control Board to authorize the use of the District’s post-1914 water rights to transfer surface water to the SRWA. Regarding the SRF loan, the 2015 Water Sales Agreement is a key document that confirms the availability of water for the Project and was reviewed by the SRF staff. In that review, SRF staff identified three issues that needed addressing before a loan could be finalized. Each of the SRF requirements are being addressed in today’s proposed amendment or in the lease agreement.

Board members, staff and legal counsels discussed this matter at length with several questions being asked by board members including ownership of the wet well, pre-1914 versus post-1914 water rights, city drainage wells, groundwater tables, distribution of water during dry year scenarios, and the ability to walk away from the agreement if forced to use pre-1914 water rights. In response to the concerns, Mr. Govea stated the Wet Well is owned by the District but leased by the SRWA and does not interrupt the District’s need to dump water into the Turlock Main. He also noted that if the terms for pre-1914 water rights are not favorable then the amended proposed agreement would allow pre or post-1914 water rights or the combination thereof. Director Frantz stated that at a recent meeting with the SRWA, it was voted for the District to consider pre-1914 water rights if they were more favorable to farmers and customers and their intent was not to box the District in. Assistant General Counsel Sara Lima and Legal Counsel Valerie Kincaid discussed Section 2.d of the Water Sales Agreement which notes a provision stating if the District’s water was reduced, water for the SRWA project would also be reduced. Ms. Kincaid also emphasized to the board that Sections 2c and 2d do state the District will provide water with no walk away provided.

Board President Rob Santos asked for a consensus from the Board and how they would like to proceed. Director Macedo wanted more information but felt there were enough ways to terminate the contract if needed. He expressed concern the District could be forced by the state board to use pre-14 water rights even though the proposed agreement states otherwise. Director Alamo expressed he did not feel the District was giving up pre-1914 rights by moving forward with the amended agreement. Director Fernandes agreed also stating “we are only talking about 30,000 acre-feet.” Director Santos expressed concern regarding the impact to municipal needs as cities grow, an unpredictable economic future and risks involved in not knowing how the SED will be finalized. General Manager Michelle Reimers stated that the way the amended agreement is written mitigates many of the issues expressed by the Board and she emphasized the importance of assisting the cities in getting off of groundwater reliability by diversifying their water portfolio, which also helps protect TID water rights and benefits the entire region.
Board President Rob Santos then asked for public comment. Customer Milt Treweiler commended the SRWA and TID Boards for all their hard work on the project as it is very important to the City of Turlock. Hearing no further comments, the Board took the following action:

RESOLUTION NO. 2020 - 17

RESOLUTION APPROVING AMENDMENT NO. 1 TO THE WATER SALES AGREEMENT WITH STANISLAUS REGIONAL WATER AUTHORITY AND APPROVING A LEASE AGREEMENT WITH STANISLAUS REGIONAL WATER AUTHORITY FOR USE OF THE DISTRICT DELIVERY FACILITIES

WHEREAS, the TID Board of Directors unanimously adopted Resolution 2015-36 approving the terms and conditions of a Water Sales Agreement (WSA) for the transfer of water to the Stanislaus Regional Water Authority (SRWA); and

WHEREAS, significant progress has been made toward implementing the SRWA’s Regional Surface Water Supply Project (Project) since approval of the WSA; and

WHEREAS, the SRWA plans to obtain a low-interest loan from the State of California’s Clean Water State Revolving Fund (SRF) program to fund a majority of the Project; and

WHEREAS, the SRF program requires certain modifications to the WSA such that the SRWA can obtain a SRF Loan; and

WHEREAS, the use of pre-1914 water rights is needed to increase the District’s flexibility to provide water to the SRWA under the District’s pre-1914 rights, post-1914 rights, or some combination of both.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District as follows:

1.) Approve Amendment No. 1 to the 2015 TID/SRWA Water Sales Agreement;
2.) Approve the TID/SRWA Lease Agreement for the District Delivery Facilities; and
3.) Authorize the General Manager or her designee to execute all documents necessary to carry out this Resolution.

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

Upon roll call the following vote was had:

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

(Directors voted via teleconference) The President declared the motion carried.
DISCUSSION REGARDING PROPOSED CANCELLATION OF BOARD MEETINGS

Director Alamo recommended a shorter board meeting in May if conducted via videoconference again. Director Macedo questioned if staff would consider an in-person meeting if the stay-at-home order was rescinded. General Manager Michelle Reimers responded stating she would attempt to keep the agenda light at the May videoconference meeting if possible. She also stated her team would consider opening slowly once the Governor’s Order was lifted while continuing to study the parameters put in place by the Governor’s recommendations. Hearing no further comments, the Board took the following action:

MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT
REGULAR BOARD MEETINGS OF APRIL 28, MAY 5 AND MAY 12, 2020

Moved by Director Frantz, seconded by Director Fernandes, that the regular meetings of the Board of Directors of the Turlock Irrigation District scheduled for April 28, May 5 and May 12, 2020, be canceled.

A roll call vote was taken with all voting in favor and none opposed (Directors voted via teleconference). The President declared the motion carried. There were no comments from the public.

RESOLUTION NO. 2020 - 18

RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF TURLOCK IRRIGATION DISTRICT WARRANTS FROM APRIL 29 THROUGH MAY 12, 2020

WHEREAS, because the Board of Directors will not hold its regular meetings on May 5 and May 12, 2020; 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 April 29 through May 12, 2020 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 for payment.

2. At the Board of Directors’ regular meeting on May 19, 2020, the Treasurer or the Accounting and Finance Department Manager shall report to the Board all claims paid during that period pursuant to this resolution.
Moved by Director Alamo, seconded by Director Frantz, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

(Directors voted via teleconference) The President declared the motion carried. There was no public comment.

GENERAL MANAGER’S REPORT

General Manager Michelle Reimers reported on current District activity related to the Covid-19 pandemic. She stated it has been a challenging month and she is very proud of the dedication District staff has shown in continuing to provide exceptional customer service during this time. The District has suspended electrical disconnects related to non-payment and customers up for renewal on the Cares program will receive automatic extensions. Staff continues to coordinate with community partners noting there will be a bill insert which will include information on available community resources to assist them. Ms. Reimers also noted a WECC audit which took place March 30-April 9 covering 20 specific Standards resulting in no negative findings. As of today, the District has received RP3 recognition and she congratulated staff for being well prepared.

BUSINESS OF THE BOARD

Director Alamo reported he would be attending a California Farm Water Coalition meeting the following week via Zoom. He also noted he would prefer board members be able to visually see the presenters during the Zoom District board meetings as opposed to only audio.

Director Frantz stated today’s board meeting was very good, and Director Santos concurred saying it was a “great historic meeting.”

MOTION TO ADJOURN

Hearing no further business, Director Macedo motioned, seconded by Director Alamo, that the regular meeting of the Board of Directors be adjourned.

All voted in favor with none opposed. (Directors voted via teleconference). The President declared the motion carried.

Tami Wallenburg
Executive Secretary to the Board of Directors