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 27th day of August 2019. 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 August 20, 2019.
B. Demands against the District represented by check numbers 386374 to 386561, inclusive, in the amount of $4,273,019.03.

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

PUBLIC COMMENT PERIOD

There was none.

WEEKLY UPDATES

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 45.65 inches, or 125.4 percent of normal to date. San Francisco reservoirs contain 615,189 acre-feet and the Water Bank is at 639,157 acre-feet of credit. Don Pedro contains 1,828,313 acre-feet, with average combined releases at 4,831 cubic feet per second with 1,442 to TID canals, 878 cfs to Modesto Irrigation District and the remaining 2,511 cfs going to the river. Computed natural flow is averaging 912 cfs, and Turlock Lake contains 29,678 acre-feet of water. The updated weekly watershed report shows Don Pedro decreased by almost five feet when compared to the previous week. Ms. Cramer noted the river releases will ramp down towards the end of month to minimum flow requirements.
Water Distribution Department Manager Mike Kavarian reviewed irrigation activity for the period of August 19-25. Water orders for this period totaled 1,966 with an additional 431 orders the previous day. Flows ranged between 1,215 to 1,055 cfs. Total water requests by day of the week show Monday remaining the highest day for orders during this period. Average daily releases through Turlock Lake for this period were 1,139 cfs, or 243 cfs below projections. Director Alamo recommended changing the orders per day graph to include cubic-feet-per second. Mr. Kavarian noted there was an increase in flood irrigation orders the past week and stated staff would conduct more analysis during the off-season in regards to flood vs. drip irrigation systems and how they impact operations during the irrigation season.

**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 – TID BOARD MEETING**

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:11 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 Frantz, 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 – TID BOARD MEETING**

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:19 a.m. with all officers present as per the previous session.

**DISCUSSION REGARDING REVENUE REFUNDING BONDS**

CFO/AGM Financial Services Brian Stubbert presented an overview of the proposed action regarding the Revenue Refunding Bond for Walnut Energy Center and the District. He was accompanied by PFM Managing Director Dennis Waley, and Bond Counsel Attorney Doug Brown of Stradling, Yocca, Carlson & Rauth, who answered questions for board members throughout the discussion. Mr. Stubbert also wished to thank District staff members, Finance Manager Jesse Kirschner and Accounting Department Manager Martin Qualle, for their assistance through this process. Hearing no further comments, the Board then took the following actions:
RESOLUTION NO. 2019 - 45

RESOLUTION AUTHORIZING THE ISSUANCE OF WALNUT ENERGY CENTER AUTHORITY REVENUE REFUNDING BONDS; APPROVING FORMS AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT, A PURCHASE CONTRACT AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING AMENDMENTS TO THE JOINT EXERCISE OF POWERS AGREEMENT AND POWER PURCHASE AGREEMENT; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the Merced Irrigation District and the Turlock Irrigation District (the “District”) entered into a Joint Exercise of Powers Agreement, dated as of November 1, 2003 (the “Joint Powers Agreement”), creating and establishing the Walnut Energy Center Authority (the “Authority”) pursuant to the Joint Exercise of Powers Act, Section 6500 et seq. of the California Government Code (as amended to the date hereof, the “Joint Powers Act”), for the purpose of providing assistance to the District in connection with the financing and refinancing of public capital improvements as defined in the Joint Powers Act; and

WHEREAS, the Authority acquired the Walnut Energy Center, which consists of an approximately 250 megawatt nameplate capacity combined cycle generating facility, together with related facilities, rights and assets (the “Project”); and

Section 1. WHEREAS, the Authority issued its Walnut Energy Center Authority Revenue Refunding Bonds, 2010 Series A (the “2010 Bonds”), pursuant to an Indenture of Trust by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (as supplemented and amended, the “Indenture”), for the purpose of refinancing the costs of acquiring the Project, funding a debt service reserve fund for the 2010 Bonds and paying costs of issuance incurred in connection with the issuance of the 2010 Bonds; and

WHEREAS, the 2010 Bonds are payable by the Authority from payments made by the District pursuant to the Power Purchase Agreement, dated as of March 31, 2004, by and between the Authority and the District (the “Power Purchase Agreement”); and

Section 2. WHEREAS, the Authority has determined that it is desirable to refund the 2010 Bonds (the “Refunding”) in order to realize debt service savings through the issuance and delivery of its Refunding Bonds (as defined in the Indenture) pursuant to Section 2.04 of the Indenture (the “2019 Bonds”); and

WHEREAS, the District has determined that the issuance of the 2019 Bonds will result in significant public benefits to the citizens of the District, including demonstrable savings in effective interest rate; and

WHEREAS, there has been prepared and submitted to this meeting a form of the Fourth Supplemental Indenture of Trust (the “Fourth Supplemental Indenture”); and
WHEREAS, there has been prepared and submitted to this meeting a form of a Preliminary Official Statement to be distributed in connection with the proposed offering and sale of the 2019 Bonds (the “Preliminary Official Statement”); and

WHEREAS, there has been prepared and submitted to this meeting the form of Purchase Contract with the underwriters named therein (collectively, the “Underwriters”) to be executed and delivered by the Authority, and approved by the District, in connection with the proposed sale of the 2019 Bonds (the “Purchase Contract”); and

WHEREAS, there has been prepared and submitted to this meeting the form of a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to be executed and delivered by the District and the Authority in connection with the 2019 Bonds; and

WHEREAS, the Board now desires to authorize and approve the form and the execution and delivery of the documents described in these recitals and the performance of such acts as may be necessary or desirable in connection with the execution and delivery of such documents; and

WHEREAS, the District desires to authorize and approve certain amendments to the Power Purchase Agreement in the form of the First Amendment to Power Purchase Agreement date as of August 1, 2019 (the “First Amendment to Power Purchase Agreement”), by and between the Authority and the District, that has been prepared and submitted to this meeting; and

WHEREAS, the District and Merced Irrigation District desire to approve certain amendments to the Joint Powers Agreement in the form of the First Supplement to Joint Exercise of Powers Agreement dated as of August 1, 2019 (the “First Supplement to Joint Powers Agreement”), by and between the District and Merced Irrigation District, that has been prepared and submitted to this meeting; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT, AS FOLLOWS:

All of the recitals herein contained are true and correct and the Board so finds.

The District hereby authorizes and requests the issuance of not to exceed $100,000,000 of Walnut Energy Center Authority Revenue Refunding Bonds, 2019 Series A, in order to refund all or a portion of the 2010 Bonds, and pay costs of issuance incurred in connection with the issuance of the 2019 Bonds. The 2019 Bonds will be repaid from payments that the District makes to the Authority under the Power Purchase Agreement.

The District further approves the Fourth Supplemental Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein; provided, that the date of issuance (not later than December 31, 2019), final maturity date (not later than January 1, 2040), interest rate (not to exceed 5% per annum), true interest cost (not to exceed 5%)
(in each case, provided that the issuance of the 2019 Bonds results in present value savings as determined by the Chief Financial Officer/Assistant General Manager, Financial Services, of the District), interest payment date or dates, forms, registration privileges, place or places of payment, terms of redemption, and other terms of the 2019 Bonds shall be (subject to the foregoing limitations) as determined by the authorized officer of the Authority and provided in the Fourth Supplemental Indenture as finally executed and delivered. The 2019 Bonds may be secured by the Debt Service Reserve Fund (as defined in the Indenture) and the District hereby authorizes the deposit of funds, including from proceeds of the 2019 Bonds, into the Debt Service Reserve Fund, if any, so that the amount therein is at least equal to the Debt Service Reserve Requirement (as defined in the Indenture).

The Purchase Contract, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein is hereby approved. Any one of the President of the Board, the General Manager of the District or the Chief Financial Officer/Assistant General Manager, Financial Services of the District, acting singly (each, an “Authorized Officer”), are each hereby authorized to execute after consultation with the District Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel (“Bond Counsel”), the Purchase Contract in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the officer executing said Purchase Contract, said execution being conclusive evidence of such approval.

The preparation and distribution of the Preliminary Official Statement, in substantially the form submitted to this meeting and made a part hereof as set forth in full, is hereby approved. Each Authorized Officer is hereby authorized to make such changes, insertions and omissions as may be recommended by District Counsel and to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement. Upon execution of such certificate, the Underwriters are hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the 2019 Bonds. Each Authorized Officer is hereby authorized and directed to execute, approve and deliver the Official Statement in the form of the Preliminary Official Statement which, upon execution is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be recommended by District Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval. The Underwriters are directed to deliver copies of any final Official Statement to all actual initial purchasers of the 2019 Bonds.

The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein is hereby approved. Any Authorized Officer is hereby authorized after consultation with the District Counsel or Bond Counsel, the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the officer executing said Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

The Authorized Officers are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, agreements, certificates, and instruments, including,
without limitation, signature certificates, no-litigation certificates, tax certificates, certificates concerning the contents of the Official Statement and the representations and warranties in the Purchase Contract, letters of representation relating to book-entry registration, any insurance commitments or any agreements required in connection with obtaining a policy of municipal bond insurance or a reserve fund surety policy, and any other agreements required in connection with the issuance or administration of the 2019 Bonds and any escrow agreements or escrow instructions required in connection with the Refunding, and to do and cause to be done any and all acts and things which they may deem necessary, convenient or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, the approval of any amendment to any of the Project Agreements, as that term is defined in the Indenture.

The First Amendment to Power Purchase Agreement and the First Supplement to Joint Powers Agreement, in substantially the forms submitted to this meeting and made a part hereof as though set forth in full herein, are hereby approved. Any one of the Authorized Officers are each hereby authorized to execute after consultation with the District Counsel or Bond Counsel, the First Amendment to Power Purchase Agreement and the First Supplement to Joint Powers Agreement in the forms presented to this meeting, with such changes, insertions and deletions as may be approved by the officer executing said First Amendment to Power Purchase Agreement and First Supplement to Joint Powers Agreement, said execution being conclusive evidence of such approval.

Any Director of the Board and any Authorized Officer, shall be, and each of them hereby is, authorized to give or take all approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution and to take any such action that such member or officer, with the advice of District Counsel, may deem necessary or desirable to further the purposes of this Resolution.

All actions heretofore taken by the officers, employees and agents of the District with respect to the matters set forth above are hereby approved, confirmed and ratified.

This Resolution shall take effect from and after its adoption.

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.
RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $140,000,000 AGGREGATE PRINCIPAL AMOUNT OF TURLOCK IRRIGATION DISTRICT REVENUE REFUNDING BONDS, AND AUTHORIZING AND APPROVING FORMS, AND THE EXECUTION AND DELIVERY, OF A TRUST AGREEMENT, A PURCHASE CONTRACT, AND A CONTINUING DISCLOSURE AGREEMENT RELATING TO SAID BONDS; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Directors (the “Board”) of the Turlock Irrigation District (the “District”) adopted its Revenue Bond Resolution (No. 86-164) on May 20, 1986, as amended and supplemented (the “Revenue Bond Resolution”) pursuant to which the District has issued Revenue Bonds (as defined therein); and

WHEREAS, the Revenue Bond Resolution provides for the issuance and incurrence of First Priority Subordinated Obligations (the “First Priority Subordinated Obligations”) for any lawful purpose of the System (as such term is defined in the Master Resolution defined in the following paragraph) with a lien on Revenues (as defined in the Master Resolution) of the District junior and subordinate to the lien of the Revenue Bonds; and

WHEREAS, the Board adopted its First Priority Subordinated Resolution (Resolution No. 96-20) on February 27, 1996 (as it may be amended and supplemented in accordance with its terms, the “Master Resolution”) to establish covenants and other provisions with respect to First Priority Subordinated Obligations payable from Available Revenues (as defined therein) thereafter issued or incurred from time to time; and

WHEREAS, the District has authority to issue and reissue commercial paper warrants for any lawful purpose of the District pursuant to Section 24628.5 of the Water Code of the State of California; and

WHEREAS, pursuant to its Resolution No. 2006-79, the District authorized the issuance of the Turlock Irrigation District Subordinate Revenue Tax-Exempt Commercial Paper Warrants (the “Notes”), in one or more series from time to time, in an aggregate principal amount not to exceed one hundred million dollars ($100,000,000) outstanding at any one time; and

WHEREAS, pursuant to its Resolution No. 2011-35, adopted on July 12, 2011, the District, among other things, reauthorized the issuance of the Notes; and

WHEREAS, the Notes are payable by the District as Subordinated Obligations, as that term is defined in the Revenue Bond Resolution, on a basis subordinate and junior in all respects to (i) the pledge and lien created under the Revenue Bond Resolution as security for the Revenue Bonds, (ii) the obligation of the District to pay installment payments with respect to First Priority Subordinated Obligations, (iii) the obligation of the District to pay principal of and interest on General Obligation Bonds, and (iv) the obligation of the District to pay principal of and interest on Bond Anticipation Notes (capitalized terms used but not defined herein having the meanings set forth in the Revenue Bond Resolution); and
WHEREAS, the Notes are expected to be outstanding in the aggregate principal amount of not more than $100,000,000; and

WHEREAS, the District now desires to authorize the refunding of all or a portion of the Notes (the “Refunded Notes”) from proceeds of its First Priority Subordinated Obligations in order to fix the rates thereon at current long-term fixed interest rates which are near historic lows; and

WHEREAS, pursuant to the Revenue Bond Resolution, the District previously issued its Revenue Refunding Bonds, 2010 Series A, in the aggregate principal amount of $154,595,000 of which $23,305,000 aggregate principal amount remain outstanding (the “2010 Bonds”); and

WHEREAS, the District now desires to authorize the refunding of the 2010 Bonds from proceeds of its First Priority Subordinated Obligations if and to the extent that debt service savings can be realized as a result thereof; and

WHEREAS, pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of, Title 5, constituting Section 53570 and following, of the Government Code of the State of California, the District is authorized to issue First Priority Subordinated Obligations to refund the Refunded Notes and the 2010 Bonds; and

WHEREAS, the Board has found and determined it to be in the best interests of the District to issue the Turlock Irrigation District Revenue Refunding Bonds, Series 2019 (the “2019 Bonds”), as First Priority Subordinated Obligations, the proceeds of which will be used to pay the principal amount of, or defease, the Refunded Notes and the 2010 Bonds (the “Refunding”) and to pay for costs of issuance incurred in connection with the issuance of the 2019 Bonds approved herein; and

WHEREAS, in order to accomplish the Refunding, it is necessary that the District enter into certain agreements, hereinafter more particularly described, and that certain other actions be taken and authorized; and

WHEREAS, there has been prepared and submitted to this meeting the form of a Trust Agreement (the “Trust Agreement”) to be executed and delivered by the District in connection with the issuance of the 2019 Bonds; and

WHEREAS, in order to set forth the terms of sale of the 2019 Bonds, the District will enter into a purchase contract (the “Purchase Contract”) with the underwriters named therein (collectively, the “Underwriters”), the form of which has been prepared and submitted to this meeting; and

WHEREAS, there has been prepared and submitted to this meeting the preliminary form of an Official Statement to be distributed in connection with the offering and sale of the 2019 Bonds (the “Preliminary Official Statement”); and

WHEREAS, there has been prepared and submitted to this meeting the form of a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to be executed and delivered by the District to assist the Underwriters in satisfying their obligations under Rule 15c2-12 promulgated by the Securities and Exchange Commission; and

WHEREAS, the 2019 Bonds will be issued as fixed rate revenue refunding bonds with a final maturity date not later than January 1, 2050; and
WHEREAS, all General Obligation Bonds (as defined in the Revenue Bond Resolution) issued pursuant to the Revenue Bond Resolution have been discharged; and

WHEREAS, only the 2010 Bonds are outstanding under the Revenue Bond Resolution and, upon the defeasance of the 2010 Bonds, the Revenue Bond Resolution will be discharged pursuant to its terms; and

WHEREAS, the Board now desires to authorize and approve the form and the execution and delivery of the documents described in these recitals and the performance of such acts as may be necessary or desirable in connection with the execution and delivery of, and, in the case of the Official Statement in preliminary and final form, the preparation and distribution of, such documents;

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

Section 1. That all of the recitals herein contained are true and correct and the Board so finds.

Section 2. That the issuance of not to exceed $140,000,000 aggregate principal amount of Turlock Irrigation District Revenue Refunding Bonds, Series 2019 in order to pay the principal amount of, or defease, the Refunded Notes and the 2010 Bonds (provided, that the refunding of the 2010 Bonds results in present value savings as determined by the Chief Financial Officer/Assistant General Manager, Financial Services, of the District), and to pay costs of issuance incurred in connection with the issuance of the 2019 Bonds be and the same is hereby approved. The date of issuance (not later than December 31, 2019), maturity date (not later than January 1, 2050), interest rates (not to exceed a maximum with respect to any bond of 5% per annum), interest payment dates, forms, manner of execution, registration privileges, place or places of payment, terms of redemption, and other terms of the 2019 Bonds shall be (subject to the foregoing limitations) as provided in the Trust Agreement as finally executed and delivered.

Section 3. That the Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. Any one of the President or Vice President of the Board, the General Manager or the Chief Financial Officer/Assistant General Manager, Financial Services of the District, acting singly (each an “Authorized Officer”), are each hereby authorized to execute and deliver, after consultation with District Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel (“Bond Counsel”), the Trust Agreement in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the Authorized Officer executing said Trust Agreement, subject to the limitations set forth in Section 2, said execution being conclusive evidence of such approval.

Section 4. That the Purchase Contract, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. Any Authorized Officer is hereby authorized to execute and deliver, after consultation with District Counsel or Bond Counsel, the Purchase Contract in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the Authorized Officer executing said Purchase Contract (subject to the limitations contained in this Resolution), said execution being conclusive evidence of such approval; provided, that the underwriting discount (excluding any
original issue discount or premium) shall not exceed one half of one percent (0.5%) of the aggregate principal amount of the 2019 Bonds.

**Section 5.** The preparation and distribution of the Preliminary Official Statement, in substantially the form submitted to this meeting and made a part hereof as set forth in full, is hereby approved. Each Authorized Officer is hereby authorized to make such changes, insertions and omissions as may be recommended by District Counsel or Bond Counsel and to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement. Upon execution of such certificate, the Underwriters are hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the 2019 Bonds. Each Authorized Officer is hereby authorized and directed to execute, approve and deliver the Official Statement in the form of the Preliminary Official Statement which, upon execution is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be recommended by District Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval. The Underwriters are directed to deliver copies of any final Official Statement to all actual initial purchasers of the 2019 Bonds.

**Section 6.** That the Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. Any Authorized Officer is hereby authorized to execute and deliver, after consultation with District Counsel or Bond Counsel, the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the Authorized Officer executing said Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

**Section 7.** The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

**Section 8.** That any Authorized Officer shall be, and each of them hereby is, authorized to execute and deliver any and all documents, agreements, certificates and instruments, including, without limitation, signature certificates, no-litigation certificates, tax certificates, certificates concerning the contents of the Official Statement and the representations in the Purchase Contract, letters of representation relating to book-entry registration, any insurance commitments or any agreements required in connection with obtaining a policy of municipal bond insurance or a reserve fund surety or insurance policy, any agreements required in connection with the issuance or administration of the 2019 Bonds and any escrow agreements or escrow instructions required in connection with the Refunding, and to do and cause to be done any and all acts and things necessary or convenient to carry out the purposes and intent of this Resolution.

**Section 9.** That any member of the Board and any Authorized Officer shall be, and each of them hereby is, authorized to give or receive all approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution or as permitted or required to effect the Refunding, or any investment of proceeds of the 2019 Bonds or obtaining a policy of municipal bond insurance or a reserve fund surety or insurance policy with respect to the 2019 Bonds, and to take any such action that such authorized representative, with the advice of District Counsel, may deem necessary or desirable to further the purposes of this Resolution.
Section 10. That all actions heretofore taken by the officers, employees and agents of the District in connection with the matters authorized by this Resolution are hereby ratified, approved and confirmed.

Section 11. That this Resolution shall take effect from and after its adoption.

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

The President declared the resolution adopted.

RESOLUTION NO. 2019 – 47

SUPPLEMENTAL RESOLUTION NO. 1 TO RESOLUTION OF THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT ESTABLISHING COVENANTS AND OTHER PROVISIONS TO SECURE THE PAYMENT OF OBLIGATIONS PAYABLE FROM AVAILABLE REVENUES (First Priority Subordinated Resolution)

WHEREAS, the Turlock Irrigation District (the “District”) has previously adopted Resolution No. 96-20 on February 27, 1996 (the “First Priority Subordinated Resolution”) to establish covenants and other provisions to secure the payment of First Priority Subordinated Obligations; and

WHEREAS, the District now desires to adopt a resolution to clarify certain provisions of the First Priority Subordinated Resolution;

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

ARTICLE 1

DEFINITIONS

Section 1.1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the First Priority Subordinated Resolution.
ARTICLE 2

ADDITION TO FIRST PRIORITY SUBORDINATED RESOLUTION

Section 2.1. Addition to definition of Maintenance and Operation Costs. The following is added to as the last sentence of the definition of “Maintenance and Operation Costs” to clarify the treatment of take-or-pay contracts with respect to the purchase of capacity, energy or any other commodity or service as Operation and Maintenance Costs:

“Operations and Maintenance Costs include payments owed by the District under take-or-pay contracts for the purchase of capacity, energy, transmission service or any other commodity or service which require payments to be made by the District whether or not such capacity, energy or other such commodity or service contracted for is made available to the District.”

Section 2.2. Addition to Article I of First Priority Subordinated Resolution. The following is hereby added as Section 1.02 of Article I of the First Priority Subordinated Resolution to clarify the references to the Revenue Bond Resolution upon the discharge of the District’s obligations thereunder:

“Any defined terms used herein and which reference the Revenue Bond Resolution for the definitions thereof shall, upon the discharge of all of the District’s obligations under the Revenue Bond Resolution, instead reference this First Priority Subordinated Resolution for the definitions thereof.”

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.

RESOLUTION NO. 2019 – 48

SUPPLEMENTAL RESOLUTION NO. 2 TO RESOLUTION OF THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT ESTABLISHING COVENANTS AND OTHER PROVISIONS TO SECURE THE PAYMENT OF OBLIGATIONS PAYABLE FROM AVAILABLE REVENUES
(First Priority Subordinated Resolution)

WHEREAS, the Turlock Irrigation District (the “District”) has previously adopted Resolution No. 96-20 on February 27, 1996 (the “First Priority Subordinated Resolution”) to establish covenants and other provisions to secure the payment of First Priority Subordinated Obligations; and
WHEREAS, the District now desires to adopt a resolution to amend certain provisions of the First Priority Subordinated Resolution, which amendments shall become effective in accordance with Article 2 below;

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

ARTICLE 3
DEFINITIONS

Section 3.1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the First Priority Subordinated Resolution.

ARTICLE 4
AMENDMENTS TO FIRST PRIORITY SUBORDINATED RESOLUTION

Section 4.1. Effectiveness of Amendments. The amendments to the First Priority Subordinated Resolution set forth in this Supplemental Resolution No. 2 shall become effective upon the discharge of all of the District’s obligations under the First Priority Subordinated Obligations Outstanding on the date of adoption of this Supplemental Resolution No. 2. For avoidance of doubt, the only Outstanding First Priority Subordinated Obligations as of the date of adoption of this Resolution are District’s First Priority Subordinated Revenue Refunding Bonds, Series 2011, the First Priority Subordinate Revenue Refunding Bonds, Series 2014, the First Priority Subordinate Revenue Refunding Bonds, Series 2016, and the Subordinated Commercial Paper Warrants, Series A (Non-AMT) and Series B (Federally Taxable). So long as consent of the owners is set forth in the First Priority Subordinated Obligations issued after the date hereof, the owners of such First Priority Subordinated Obligations shall be deemed to have agreed to, accepted and consented to the amendments to the First Priority Subordinate Resolution set forth in this Supplemental Resolution No. 2.

Section 4.2. Amendment to definition of Annual Debt Service. The definition of Annual Debt Service is hereby amended and restated in its entirety as follows:

“Annual Debt Service” shall mean the amount scheduled to become due and payable on the First Priority Subordinated Obligations in any Fiscal Year as or evidencing (a) interest, plus (b) principal (but excluding Excluded Principal) at the maturity or payment dates therefor, plus (c) mandatory sinking fund payments. For purposes of calculating Annual Debt Service, the following assumptions shall be used:

(i) All principal payments and mandatory sinking fund payments shall be made by the District as and when the same shall become due (but excluding Excluded Principal);

(ii) Outstanding First Priority Subordinated Obligations which bear or evidence interest at a Variable Rate shall be deemed to bear or evidence interest during any period after the date of calculation at a fixed annual rate equal to the lesser of (a) the average of the actual rates thereon for each day during the 365 consecutive days (or any lesser period such First Priority Subordinated Obligations have been outstanding) ending on the last day of the month next preceding the date of computation or (b) a rate determined by the District; provided, however, that with respect to
obligations the interest on which is tax-exempt for federal income tax purposes, such rate shall not be less than the SIFMA Rate as of the date of calculation and, with respect to obligations the interest on which is taxable for federal income tax purposes, such rate shall not be less than London Interbank Offered Rate (LIBOR) as of the date of calculation, or if the London Interbank Offered Rate (LIBOR) is no longer published, any comparable alternative short-term interest rate index as may be selected by the District and communicated to the Trustee;

(iii) First Priority Subordinated Obligations proposed to be issued which bear or evidence interest at a Variable Rate shall be deemed to bear or evidence interest at a fixed annual rate equal to the greater of (a) a rate determined by the District; provided, however, that with respect to obligations the interest on which is tax-exempt for federal income tax purposes, such rate shall not be less than the SIFMA Rate as of the date of calculation and, with respect to obligations the interest on which is taxable for federal income tax purposes, such rate shall not be less than London Interbank Offered Rate (LIBOR) as of the date of calculation, or if the London Interbank Offered Rate (LIBOR) is no longer published, any comparable alternative short-term interest rate index as may be selected by the District and communicated to the Trustee, or (b) Municipal Market Data’s PSA Municipal Swap Index as of the last day of the month next preceding the date of calculation;

(iv) Capitalized interest on or evidenced by First Priority Subordinated Obligations and accrued interest paid on the date of initial delivery of any First Priority Subordinated Obligations shall be excluded from the calculation of Annual Debt Service if amounts sufficient to pay such interest have been irrevocably deposited with and are held by an escrow agent or other fiduciary for the owners of such First Priority Subordinated Obligations;

(v) If any Balloon Principal Payment on First Priority Subordinated Obligations is included in Annual Debt Service for such Fiscal Year, Annual Debt Service shall be determined as if such Balloon Principal Payment were payable over a term of twenty-five (25) years from and including the Fiscal Year in which such Balloon Principal Payment is due with approximately level annual combined payments of principal and interest at an interest rate equal to the actual fixed rate thereon or evidenced thereby, or if such First Priority Subordinated Obligations bear or evidence interest at a Variable Rate, then at a rate determined as provided in clause (ii) above.”

(vi) Annual Debt Service shall not include interest reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program.”

Section 4.3. Addition of definition of Excluded Principal. The following definition is hereby added to the First Priority Subordinated Resolution:

“Excluded Principal” shall mean each payment of principal of First Priority Subordinated Obligations with a maturity of less than 60 months and which the District specifies in a certificate of the District filed with each trustee for First Priority Subordinate Obligations that the District intends to pay from the proceeds of First Priority Subordinated Obligations, other bonds, notes or other obligations of the District or moneys other than Revenues. No such determination shall affect the security for such First Priority Subordinated Obligations or the obligation of the District to pay such First Priority Subordinated Obligations.”
Section 4.4. Addition of definition of LIBOR. The following definition is hereby added to the First Priority Subordinated Resolution:

“LIBOR” shall mean the interest rate per annum equal to the consensus rate then being offered by major international banks on Eurodollar deposits with an original maturity of thirty (30) days as quoted on the Reuter’s London Interbank Offered Rate page on Telerate or, if no longer quoted thereon, determined by reference to such other comparable source. Notwithstanding anything herein to the contrary, if the LIBOR index determined as provided above would be less than zero percent (0.0%), then the LIBOR shall be deemed to be zero percent (0.0%).

Section 4.5. Addition of definition of SIFMA Rate. The following definition is hereby added to the First Priority Subordinated Resolution:

“SIFMA Rate” shall mean, as of any date, the most recent per annum rate published or reported by Bloomberg for the SIFMA Municipal Swap Index, or if the SIFMA Municipal Swap Index is no longer published or reported, the most recently available per annum rate published or reported by Standard & Poor’s Securities Evaluations Inc. for the “S&P Municipal Bond 7 Day High Grade” index.

Section 4.6. Amendments to Section 2.05 of the First Priority Subordinated Resolution. Section 2.05 is hereby amended and restated in its entirety as follows:

“After the transfers to the Maintenance and Operation Costs Account set forth in Section 2.04 hereof, the District shall withdraw from the Revenue Fund and transfer to the following funds and accounts in the following order the amounts set forth below:”

(1) to the First Priority Subordinated Obligations Fund (continued pursuant to Section 2.02 hereof), the amount, if any, to pay the interest and/or principal due on First Priority Subordinated Obligations on the next interest or principal payment date for First Priority Subordinated Obligations in accordance with their terms; and

(2) To the General Fund, on any day, so long as the District reasonably expects to be able to make the transfers required by paragraph (1) above during the remainder of the Fiscal Year, the remaining balance of the amounts in the Revenue Fund after making the above deposit, including without limitation, transfers to the Rate Stabilization Account, the amount, if any, required by the Annual Budget to be deposited in such Fund.

Transfers and deposits into various funds and accounts held by the District may be allocated to such funds and accounts on the books of the District without need for physical delivery or segregation of moneys or investments.”

Section 4.7. Amendments to Section 2.10 of the First Priority Subordinated Resolution. The following is added after the last sentence in Section 2.10(2):

“For purposes of the calculations set forth in Sections 3.02(2) and 4.07, the amount transferred from the Rate Stabilization Account to the Revenue Fund to be taken into account as Revenues for a Fiscal Year shall be limited as set forth in each series of First Priority Subordinate Obligations.”
Section 4.8. Amendment to Section 3.02 of the First Priority Subordinated Resolution. All references to a certificate of a Consulting Engineer in Section 3.02 is hereby amended to refer to a certificate of the District.

Section 4.9. Amendment to Section 4.05 of the First Priority Subordinated Resolution. The first sentence of Section 4.05 is hereby amended and restated in its entirety as follows:

“On the date before the first day of each Fiscal Year, the District shall prepare and file with the Secretary of the Board of Directors of the District an Annual Budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Revenues and Maintenance and Operation Costs and other expenditures of the System for such year:”

Section 4.10. Addition of 5.06 to the First Priority Subordinated Resolution. The following is hereby added as Section 5.06:

“The District may amend the provisions of this First Priority Subordinate Resolution subject to any prior approval required under the terms of Outstanding First Priority Subordinate Obligations.”

Section 4.11. Discharge of Resolutions with Respect to General Obligation Bonds and Revenue Bonds. All obligations of the District under the General Obligation Bonds Resolution and with respect to General Obligation Bonds have ceased and been discharged and all provisions in the First Priority Subordinate Resolution with respect to General Obligation Bonds are of no further force and effect. At such time that all of the District’s obligations under the Revenue Bonds Resolution and with respect to the Revenue Bonds have ceased and been discharged, all provisions with respect to Revenue Bonds under the First Priority Subordinate Resolution shall be of no further force and effect.

Moved by Director Alamo, 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.

MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT REGULAR BOARD MEETING OF SEPTEMBER 3, 2019

Moved by Director Frantz, seconded by Director Macedo, that the regular meeting of the Board of Directors of the Turlock Irrigation District scheduled for September 3, 2019, be canceled.

All voted in favor with none opposed. The President declared the motion carried.
RESOLUTION DELEGATING AUTHORITY TO APPROVE
PAYMENT OF TURLOCK IRRIGATION DISTRICT
WARRANTS FROM AUGUST 28 THROUGH SEPTEMBER 3, 2019

WHEREAS, because the Board of Directors will not hold its regular meeting on September 3, 2019; 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 August 28 through September 3, 2019 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 September 10, 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 Alamo, 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 MANAGER’S REPORT

General Manager Casey Hashimoto reported he has been asked by the Transparency Committee to look into options for possible live streaming of District board meetings/workshops which would require upgrades to the current board room/conference room AV system. AGM Financial Services Brian Stubbert reviewed four different options for potential upgrades to the AV system utilized for board meetings and board workshops.
Board members discussed each option at length, reviewing the pros and cons for each. Director Alamo stated he feels the District is very transparent by having all board materials posted online and available to the public as required by the Brown Act. If an upgrade is desirable, then he recommended the possibility of redesigning the current board room to accommodate workshops thus saving the cost to upgrade the conference room normally used for board workshops. Though he was not opposed to live streaming, he felt it was unnecessary due to low public attendance at board meetings. He also noted the use of the Zoom System at a recent California Farm Water Coalition meeting he attended which worked quite well.

Director Santos stated he preferred live streaming with upgrades to the boardroom and conference room but felt construction to reconfigure the current board room would take too much time to implement the needed changes. He desired to keep both board meetings/workshops in the board room for transparency purposes but ultimately would prefer to upgrade both areas with live streaming and better conference call capabilities.

Director Frantz stated he enjoys occasionally tuning into other agency meetings via live stream but was fine either way with the option of live streaming. He indicated he was favorable to including upgrades to the conference room for board workshops.

Director Fernandes agreed with Director Alamo in regards to low public attendance at board meetings and did not feel a need to implement live streaming but would give it a try if the others were favorable. He also liked the idea of reconfiguring the current board room to accommodate workshops.

Director Macedo stated the District is already very transparent and wished to see cost numbers for reconfiguring the board room to accommodate both board meetings and workshops.

Board members asked if the current practice of the Executive Board Secretary initiating the system before each meeting would continue or whether it would require additional staff each week to run the new system. IT Department Manager Bill Worsham responded stating the system could still be operated by the Executive Board Secretary though there would be third-party hosting for the live streaming portion.

**BUSINESS OF THE BOARD**

Director Alamo reported on his attendance at the California Farm Water Coalition meeting he attended the previous week.

Director Macedo reported that a basketball team he plays on, consisting of several District employees, won this year’s championship. He also provided a picture of the winning team.

**MOTION TO ADJOURN TO CLOSED SESSION**

Moved by Director Frantz, seconded by Director Santos, that the regular meeting of the Board of Directors be adjourned to closed session:
1. **Conference with Property Negotiator**

   California Government Code Section 54956.8

   Property: APN 018-006-013
   
   Agency negotiator: Casey Hashimoto
   
   Negotiating parties: Stanislaus Regional Water Authority
   
   Under negotiation: Price, terms and other related items
   - Tou Her, AGM Water Resources
   - Phil Govea, Civil Engineering Department Manager
   - Sara Lima, Assistant General Counsel

   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 Frantz, seconded by Director Macedo, 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