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

Turlock, California
19 May 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 Webinar) on the 19th day of May 2020. Present were: Directors Rob Santos (President), Michael Frantz (Vice-President), Ron Macedo (Secretary), Charles Fernandes and Joe Alamo, 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. 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.”

SALUTE TO THE FLAG

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 April 21, 2020.
B. Demands against the District represented by check numbers 392971 to 393625, inclusive, in the amount of $18,231,762.13.

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

There was none.

WEEKLY/MONTHLY REPORTS

Line Division Manager Denver Hodges presented the report for the Electrical Engineering and Line Department for the month of April. The SAIDI (System Average Interruption Duration Index) year-to-date figure is 20.8. (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 April monthly average for customers without power was less than 3 minutes. Major outage contributors for the month show weather at 18 percent, third-party (car/pole events) at 61 percent, unknown causes at 5 percent and animals at 16 percent. Electrical Engineering Design received 70 customer job requests with 50 being sent to the Line Department for completion. Construction lead time for the month was one week for customer jobs. The crew structure consisted of two 5-person crews and no contract crews. A third crew was added the previous day focusing on capital work. The Board President asked for comments from the public, and there was none.

Trading and Scheduling Division Manager Bill Bacca reviewed operations for the month of April. The Balancing Authority Area daily estimated system peaks averaged 441 megawatts for the month. The load was met with Thermal at 37.4 percent, TID hydro at 17.6 percent, Wind Exchange at 22 percent, ACS Specified at 9.6 percent and Wind/Solar at 8 percent. The Tuolumne Wind Project (TWP) generated 38,398 MWh’s during the month of April at the Willis Substation, averaging at 39 percent of capacity. Natural gas prices at Pacific Gas & Electric Company’s Citygate averaged out at $2.33/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. The Almond 2 Power Plant generated 151 MWh, and Walnut Energy Center (WEC) generated 88,758 MWh. Electric operations for this period show Don Pedro Unit 3 was forced out of service on April 25 and returned to service May 1; half of WEC ran for 22 days for economics; Almond ran 3 days for economics and operations; Tuolumne Wind Feeders 1, 2, 5 and 6 were out of service on April 29 for a loss of 94 MW. The Board President asked for comments from the public, and there was none.

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 21.96 inches, or 63 percent of normal to date. The 8-day precipitation forecast is showing 1.8 to 2 inches in the upper watershed while noting a variation in the European model when compared to the U. S. model due to mountain thunder storm activity rather than an atmospheric shift. Forecasted temperatures show an average of low to mid-80s for a high, increasing to low 90s by end of May. San Francisco reservoirs contain 613,116 acre-feet and the Water Bank is at 495,809 acre-feet of credit. CCSF releases for the past 7-days averaged at 2,126 cfs with 382 cfs in diversions. Don Pedro contains 1,728,892 acre-feet and is currently at 805.3 elevation. Average combined releases were 2,136 cubic feet per second with 1,191 cfs to TID canals, 703 cfs to Modesto Irrigation District and the remaining 242 cfs going to the Tuolumne River. Computed natural flow for the current water-year is averaging 5,285 cfs, and computed natural flow to date is 708,884 af or 51.4 percent of average. Turlock Lake contains 18,895 acre-feet of water. The updated weekly watershed report shows Don Pedro elevation less
than a foot when compared to the previous week. The Board President asked for comments from the public, and there was none.

Water Distribution Department Manager Mike Kavarian reported on activity from May 11-17. Water orders received during this time period totaled 1,780, with an additional 285 orders the previous day. Flows ranged between 1,170 to 915 cfs. Daily releases from Turlock Lake averaged 1,031 cfs, or 137 cfs above projections. The Board President asked for comments from the public, and there was none.

MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT
REGULAR BOARD MEETING OF MAY 26, 2020

Moved by Director Macedo, seconded by Director Fernandes, that the regular meeting of the Board of Directors of the Turlock Irrigation District scheduled for May 26, 2020, be canceled.

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

RESOLUTION NO. 2020 - 19

RESOLUTION DELEGATING AUTHORITY TO APPROVE
PAYMENT OF TURLOCK IRRIGATION DISTRICT
WARRANTS FROM MAY 20 THROUGH MAY 26, 2020

WHEREAS, because the Board of Directors will not hold its regular meetings on May 26, 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 May 20 through May 26, 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 June 2, 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 Frantz, seconded by Director Alamo, 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

(The Directors voted via teleconference). The President declared the motion carried.

COMMERCIAL PAPER PROGRAM

CFO/AGM Financial Services Brian Stubbert presented a brief overview of the Commercial Paper Program (CP). The CP Program is a short-term financial instrument that allows an issuer to fund full-term obligations relatively quickly. CP is also used to temporarily finance capital projects during the construction period with interest rates based on current market rate at time of CP roll (270 days or less). Bank Letter-of-Credit (LOC) backs the CP Program and he noted the District’s LOC is up for reauthorization or termination in July 2020. Mr. Stubbert then introduced Dennis Waley of Public Financial Management (PFM) who presented an analysis of the District’s current CP status. Mr. Waley concluded that while the CP Program has historically benefited the District as a frequently utilized, low-cost tool to fund prior significant capex efforts, he stated the near-term expectation is that the CP Program will now be a higher cost, infrequently used financing tool, lessening its value to the District. He emphasized that since TID is not anticipating the need to borrow in the next 12 months and has sufficient cash for near-term capital and operating needs, the District can always seek another CP Program if the need arises so Mr. Waley recommended letting the existing CP Program expire in July 2020. He also noted the Walnut Energy Center Authority CP Plan will remain and be evaluated when it expires in September 2022. Board members agreed with the recommendation and also thanked Mr. Waley and Mr. Stubbert for making the recommendation during these difficult economic times. The Board President asked for comments from the public, and there was none.

VOLUNTARY SETTLEMENT AGREEMENT UPDATE

Consultant Randy Fiorini presented an update on the Voluntary Settlement Agreement process with the state. He has been meeting regularly with the subcommittee handling the VSA process until February of this year when Secretary Bloomfield released framework for the Agreements. He noted there is a lot of turmoil in the water world at the moment, so discussions regarding the Voluntary Settlement Agreements have ended due to the discord among several state agencies including the State Contractors, Department of Fish and Wildlife, State Water Resources Control Board and various conservation groups. Leading up to today, the Department of Water Resources and the Bureau of Reclamation issued on the biological opinions and worked with fish agencies to provide new biological opinions. Once the opinions were announced, the state indicated their intent to sue as well as conservation groups who claimed the biological opinions were harmful. A hearing was held in April on the preliminary injunction with the judge ultimately dividing the issues into three geological regions. This process is ongoing as the judge did not rule. Mr. Fiorini assured the Board the Voluntary Settlement Agreement for the Tuolumne River is intact, complete and ready to go once discussions resume. He also wished to commend staff on the excellent Zoom meeting created for today’s meeting. The Board President asked for comments from the public, and there was none.
WATER SALES AGREEMENT AND DRINKING WATER PROJECT UPDATE

Assistant General Manager Water Resources Tou Her presented an update on the Water Sales Agreement and Drinking Water Project. The Water Sales agreement was signed in 2015 with the Stanislaus Regional Water Authority (SRWA). The 50-year agreement states the District will provide up to 30,000 af of surface water annually to the SRWA for the drinking water project. The agreement was amended on April 21, 2020. In June 2018, a Change Petition was filed with the State Water Resources Control Board (SWRCB) which they posted for public review in October 2018. Protests were filed in November 2018 by three agencies with two of these ultimately resolved in June 2019. The third protest was submitted by the US Bureau of Reclamation and the SWRCB granted the District an extension which expires on May 29th. A recycled water provision within the Water Sales Agreement stipulates that SRWA, via the City of Turlock, provide the District with 2,000 acre-feet of recycled water annually to help offset impacts to District water supplies as a result of the agreement. The District has also retained a Consultant to analyze water quality with the area of interest focused on the level of salt (measured in Electrical Conductivity or EC). District standards require discharges into canals to have an EC level of less than 1,400 for recycled water. Mr. Her reviewed the permitting process for the City of Turlock to discharge recycled water noting the process is underway and the Regional Water Quality Control Board will be soliciting comments from the public sometime in June 2020. The City of Turlock is proposing to add the Upper Lateral 4 discharge location to its current permit renewal. Next steps include Grower outreach including letters to growers downstream of the discharge point, email to growers with emails on record, and outreach via phone. Mr. Her noted he would provide an update on the permitting process and seek direction from the board at the upcoming June 2nd Board Meeting. Board members had several questions regarding a required refill agreement, discharge locations, salinity concerns for specific crops/trees, and the possibility of Grower-type workshops conducted by staff in the field. Director Macedo requested a layout scenario of where pumps are located and if any potential problems were anticipated. Director Santos asked if staff could produce a small presentation on pre and post-1914 water rights to clarify the differences for the public. General Manager Michelle Reimers then asked for direction from the board on whether they wished for staff to request an extension of the May 29 deadline from the SWRCB to address the concerns filed by the Bureau of Reclamation. The Board President asked for comments from the public, and there was none.

GENERAL MANAGER’S REPORT

General Manager Michelle Reimers apologized for the lack of recording at the start of the meeting though the issue was resolved several minutes into the meeting. She wished to commend District staff for their resilience and commitment during this unprecedented time regarding the Coronavirus. She noted some employees have returned to work using a phased approach much like the state and county, and though it has been challenging, overall staff is staying positive. Ms. Reimers stated the decision made in March to issue no service disconnects due to non-payment is still in place though she anticipates an end date will need to be determined at some point and a return to normal business processes. Director Santos wished to continue the cancellation of any delinquent fee and deciding on a month to month basis when to resume normal business. Director Frantz requested data from the financial side to assess for potential abuse due to no penalties being
assessed at this time, which can adversely impact District financials. Director Alamo noted the Governor’s Order is in place through July 5 so maybe that would be a target date to return to normal business and Director Fernandes concurred on the proposed date. Director Macedo expressed confidence in the General Manager and staff to have the “unique ability to have the pulse of the community and will know when it is time.” There were no further comments.

BUSINESS OF THE BOARD

Director Santos expressed pride in the hard working staff at the District during this difficult time, stating “We have some of the top people in the county working for us.”

MOTION TO ADJOURN

Hearing no further business, Director Fernandes motioned, seconded by Director Frantz, 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