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

Turlock, California  
17 November 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 for staff and public) on 17th day of November 2020. Present via Zoom were: Directors Rob Santos (President), Michael Frantz (Vice-President); Present in-person were: Directors Ron Macedo (Secretary), Charles Fernandes and Joe Alamo, General Manager Michelle Reimers and Executive Secretary to the Board Tami Wallenburg.

Board President Rob Santos read the following statement:  
“This meeting is being digitally recorded, and the Board Secretary is taking minutes as well. Materials presented will be made available online at www.tid.org. We encourage public participation during the Board meeting and 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 want to comment, please click the ‘raise hand feature’ on Zoom to do so. If you’re participating via phone, please press (Star) 9 to raise your hand over the phone.”

SALUTE TO THE FLAG  

MOTION APPROVING CONSENT CALENDAR  

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

A. Minutes of the regular meeting of November 3, 2020.  
B. Demands against the District represented by check numbers 397681 to 398018, inclusive, in the amount of $19,707,576.72.  

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

PUBLIC COMMENT PERIOD  

There was none.

WEEKLY/MONTHLY REPORTS  

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, 2020 to present total 0.80 inches, or 17.3 percent of normal to date (Note: The precipitation water year begins on September 1 each year). A precipitation event is
forecasted early tomorrow and appears to be high intensity but short in duration, with some additional precipitation forecasted at higher elevations on November 23. Forecasted temperatures show they are above average over the next 7-days ranging from 58 to 69 degrees for a high and averaging in the mid-40s for the next 7 days before dipping into the low 30s the following week. San Francisco reservoirs contain 450,036 acre-feet and the Water Bank is at 535,672 acre-feet of credit. CCSF releases for the past 7-days averaged at 580 cfs with 314 cfs in diversions. Don Pedro contains 1,364,917 acre-feet and is currently at 770.6 elevation. Average combined releases were 245 cubic feet per second with 1 cfs to TID canals, 57 cfs to Modesto Irrigation District and the remaining 187 cfs going to the Tuolumne River. Computed natural flow for the current water-year is averaging -74 cfs, and computed natural flow to date is 3,444 af or 4.8 percent of average. Turlock Lake contains 6,034 acre-feet of water. The updated weekly watershed report shows Don Pedro elevation decreased slightly when compared to the previous week. The Board President asked for comments from the public, with Customer Milt Treiwiler commenting he was unable to view the presentation slides through the Zoom Webinar.

Due to technical issues related to the webinar, a short recess was taken to address to these problems. The regular board meeting resumed with all officers present as per the previous session.

AGM Electrical Engineering & Operations Manjot Gill, Electrical Engineering Department Manager Brett Bodine and Line Division Manager Denver Hodges presented the monthly update for the Electrical Engineering and Line Department for the month of October. The monthly report will now include more information on Outage types such as: Momentary – one or more power interruptions that are 5 minutes or less; Planned – if an outage can be deferred, it is planned; Unplanned – unintentional loss of power to customers; and Major Event – Event that exceeds reasonable design and/or operational limits of the electric power system. Major events could be classified as one large event (many meters, one location), Many Event-One Day (heavy winds, various feeders), or Extreme Event (flood, wildfire, etc.). Besides SAIDI (System Average Interruption Duration Index), reliability indices will now include CAIDI (Customer Average Interruption Duration Index) and MAIFI (Momentary Average Interruption Frequency Index) on the monthly reports to the Board. The SAIDI year-to-date figure is 82.1. (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 monthly CAIDI figure for October was 173 minutes, and the monthly MAIFI was 0.1. The October outages show nine in Ceres, seven in Patterson, six in Turlock, two in Modesto and one in Denair. Mr. Hodges noted that of the 25 outage events, 60 percent were car/pole incidents. Major outage contributors for the month show equipment failures at 12 percent, third party (car/pole incidents) at 61 percent, weather at 18 percent and unknown causes at 9 percent. Electrical Engineering Design received 84 customer job requests with 45 being sent to the Line Department for completion. Construction lead time for the month was 1 week for customer jobs. The crew structure remains at four 5-person crews and two 4-person crews. Four crews continue capital work while two crews focused on customer jobs through the month. Board members had several questions in regards to the monitoring of outage events, capital compared to customer/maintenance work, with Director Frantz requesting more data being supplied on the weekly events such as average response time when a line crew is actually onsite. Mr. Gill stated he would include that information in future presentations. The Board President asked for comments from the public and there were none.
RESOLUTION NO. 2020 - 51

RESOLUTION ADOPTING THE MITIGATED NEGATIVE DECLARATION FOR THE LA GRANGE SLUICE AND TAILRACE IMPROVEMENT PROJECT AND MAKING THE REQUIRED ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, the Turlock Irrigation District ("District") proposes to implement the La Grange Sluice and Tailrace Improvement Project ("Project"); and

WHEREAS, during dewatering of the La Grange diversion tunnel, which is required periodically for tunnel and fore bay safety inspections, water may be passed into the Tuolumne River through Modesto Irrigation District (MID) facilities. During this manner of passing flows downstream, the La Grange sluice channel and the tailrace channel may become isolated from the flow in the main river channel. As a result, absent special precautions, fish could potentially be stranded in both the sluice and tailrace channels during tunnel dewatering; and

WHEREAS, the Project consists of (1) surfacing the sluice channel and (2) installing a diversion structure that would connect the upstream portion of the tailrace channel to the main river channel. The Project would minimize any potential for fish isolation and stranding and provide TID facilities with long-term durability and lower maintenance requirements during operations; and

WHEREAS, the District is the lead agency for the preparation and consideration of environmental documents for the Project, as defined in the CEQA and the State of California Guidelines for the Implementation of the California Environmental Quality Act; and

WHEREAS, a draft initial study and mitigated negative declaration ("Mitigated Negative Declaration") were prepared and circulated for a 30-day public/responsible agency review commencing on August 31, 2020, in compliance with the requirements of CEQA; a complete copy of the draft document is on file and can be viewed in the District offices located at 333 East Canal Drive, Turlock, California; and

WHEREAS, the District conducted its own independent analysis of the Mitigated Negative Declaration prior to releasing it for public review and determined that the Mitigated Negative Declaration was appropriate as there is substantial evidence the Project would not result in any significant environmental impacts; and

WHEREAS, the District has reviewed and considered the Mitigated Negative Declaration, the comments received to date and the responses prepared and intends to take actions on the Project in compliance with CEQA and the State of California Guidelines for the Implementation of the California Environmental Quality Act; and

WHEREAS, the Mitigated Negative Declaration is, by this reference, incorporated into this Resolution as if fully set forth herein.

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

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1. The foregoing recitals are true and correct.
2. The District has independently reviewed, analyzed, and considered the Mitigated Negative Declaration, and the whole record before it (including, the initial study and comments received) and, based on the foregoing, the District hereby finds that all environmental impacts of the Project with mitigation measures are below a level of significance and there is no substantial evidence supporting a fair argument that the Project will have a significant effect on the environment.
3. The District finds the Mitigated Negative Declaration has been completed in compliance with CEQA and consistent the State of California Guidelines for the Implementation of the California Environmental Quality Act.
4. The District finds that the Mitigated Negative Declaration represents the independent judgment and analysis of the District as lead agency for the Project.
5. The District further finds that the Mitigated Negative Declaration is adequate to serve as the required CEQA environmental documentation for the Project, and hereby adopts the Mitigated Negative Declaration for the Project.
6. The Executive Secretary to the Board of Directors of the District is the custodian of the records of the proceedings on which this decision is based. The records are located at 333 East Canal Drive, Turlock, California.
7. The District directs staff to file a notice of determination with the County of Stanislaus within five working days of the adoption of 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

The President declared the resolution adopted.

RESOLUTION NO. 2020-52

RESOLUTION AUTHORIZING THE GENERAL MANAGER, OR HER DESIGNEE, TO EXECUTE ELECTRIC SERVICE AGREEMENT BETWEEN TURLOCK IRRIGATION DISTRICT AND STONEGATE VILLAGE II

WHEREAS, Stonegate Village II, L.P. is the owner of real property generally located at 625 Logan Way, in the City of Patterson, County of Stanislaus, and Stonegate is in the process of constructing a low-income residential multi-family project, referred to as the Stonegate Village II (“Stonegate”); and

WHEREAS, Stonegate consists of twelve individual multi-family structures, each with six individual units for rent, including one common area. Stonegate intends to install solar panels on each of the structures for energy generation in accordance with California law; and
WHEREAS, TID staff proposes a Service Rule 4 Electric Service Agreement with Stonegate to allow Virtual Net Metering (VNM) to the project. VNM provides Stonegate that ability to install multiple solar systems and the metered generation output will be aggregated which, will be allocated to each premise serviced on the property based on a predetermined allocation percentage. Stonegate shall install Generation Meters per TID standards to each of the twelve (12) solar systems; and

WHEREAS, the Electric Service Agreement between TID and Stonegate Village II defines interconnection requirements and VNM rules which governs the allocation of solar generation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the General Manager or her designee is hereby authorized to execute Electric Service Agreement between Turlock Irrigation District and Stonegate Village II.

Moved by Director Macedo, 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 President declared the resolution adopted.

MOTION ELECTING PRESIDENT OF THE BOARD

Moved by Director Alamo, seconded by Director Fernandes, that Director Santos remain elected President through the 1st day of December, 2021.

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

MOTION ELECTING VICE-PRESIDENT OF THE BOARD

Moved by Director Macedo, seconded by Director Fernandes, that Director Frantz continue as elected Vice-President effective through the 1st day of December, 2021.

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

MOTION ELECTING SECRETARY OF THE BOARD

Moved by Director Frantz, seconded by Director Alamo, that Director Macedo continue as elected Secretary through the 1st day of December, 2021.

All voted in favor with none opposed (Directors Frantz and Santos voted via teleconference). The President declared the motion carried.
MOTION APPOINTING OFFICERS

Moved by Director Fernandes, seconded by Director Macedo, that the following officers be appointed until the 1st day of December 2021:

- Executive Secretary to the Board: Tami Wallenburg
- Treasurer: Brian Stubbert
- Deputy Treasurer: Jesse Kirschner
- Collector: Jesse Kirschner
- Deputy Collector: Michael Vincent
- Assessor: Mike Kavarian
- Deputy Assessor: Jesse Kirschner
- General Counsel: Griffith, Masuda & Hobbs

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

2021 BUDGET REVIEW – GENERAL MANAGER’S, FINANCIAL SERVICES AND POWER SUPPLY ADMINISTRATIONS

CFO/AGM Financial Services Brian Stubbert presented an overview of the proposed 2021 budget for the General Manager’s, Financial Services and Power Supply Administrations. The 2021 Business Plan indicates revenue growth will remain relatively flat with no anticipated rate increase in the budget numbers. The wholesale market remains comparable to the 2019 Actual and 2020 Forecast. More wind generation will be utilized for the District’s needs reducing Wholesale Wind Revenue. The 2021 Pension contribution of $15.2 million will remain the same as 2020. Revenue financed capital is projected at $63 million (net of CIAC) and Public Benefit revenue and expenses are budgeted at $8 million. The proposed budget also incorporates a rate stabilization transfer of $13.5 million to cash fund capital projects in 2021, in lieu of debt.

Proposed staffing by administration for 2021 show an increase of seven full time employees (FTE’s) though Mr. Stubbert noted that the majority of staffing changes involve employee’s moving from one administration to another due to classification/reorganization revisions and the completion of the C2M Project.

Chief Operating Officer Brad Koehn presented the proposed budget for the General Manager’s Administration. The operations and maintenance budget is proposed at $12.5 million (excluding the Public Benefits budget of $8 million), an increase of 18.4% and includes 64 full time employees. Budget changes include the change of 11 over-allocated positions into 6 full-time equivalents (over allocations were positions the District hired in 2017 and 2018 as a result of
the C2M Project), and also the addition of the Chief Operating Officer position. The General Manager’s capital budget will remain the same with $50,000 in a contingency plan and $3.2 million for the FERC Relicensing of Don Pedro and $520,000 for the La Grange Licensing Project.

AGM Power Supply Dan Severson presented the proposed budget for the Power Supply Administration. The Operations and Maintenance budget is proposed at $92.5 million, an increase of 1.6%. Budget changes include an increase of one full-time employee for a total of 80, and an increase of maintenance at the Tuolumne Wind Project (TWP). The Power Supply capital budget is proposed at $9.1 million with large expenditures of $1.6 million for the Frankenheimer refurbishment, $2.8 million for the overhaul of the Unit #3 steam turbine at the Walnut Energy Center (WEC), $535,000 for replacement of a 34.5 KV transformer at TWP and $750,000 the repair or replacement of combustion parts at WEC. The Walnut Energy Center Authority (WECA) capital budget is proposed at $5.7 million. The Tuolumne Wind Project capital budget is proposed at $593,000. Customer Milt Treiwieler commented that it would be a good time for the District to transition to solar with the aging of the Walnut Energy Center and encouraged staff to plan now. Mr. Severson responded stating the District is continually looking at the carbon footprint while also fulfilling reporting requirements of greenhouse gas emissions to the California Air Resources Board while also incorporating the District’s Integrated Resources Plan.

CFO/AGM Financial Services Brian Stubbert then presented the proposed budgets for the Financial Services Administration. The proposed operations and maintenance budget is proposed at $18 million, an increase of 0.7%. Budget changes include an increase of 12 full-time employees (FTE) for a total of 79. The completion of the C2M Project will increase staff allocations by 3 FTEs due to the absorption of staff. Safety and Compliance, Security and Emergency Preparedness, and Water and Energy Management System staff were also incorporated into the Financial Services Administration budget for 2021. The increase is also due in part to $1.2 million in Information Services due to an increase in outside services and software licenses for the Energy Imbalance Market (EIM), C2M, upcoming financial software and the upcoming customer self-service project. The Financial Services proposed capital budget is projected at $7.8 million with large expenditures being $2.4 million in vehicle replacements (includes capital funds shifted from 2020 Capital Budget), $2.2 million for ERP (payroll, purchasing, inventory, etc.), $1 million for the Customer Self-Service and $800,000 for network infrastructure. Mr. Stubbert reported noted the District’s miscellaneous rates and fees along with the Water Resources and Electrical Engineering administration budgets will be presented at the December 1st Board Meeting with adoption of the budgets scheduled for December 15th. Board members asked several questions about the Commercial Paper line, the determination of annual staffing allocations, and how the use of new technology could possibly assist in making those determinations to which staff responded. The Board President asked for comments from the public and there were none.

QUARTERLY FINANCIAL REPORT

CFO/AGM Financial Services Brian Stubbert presented the District’s financial performance review for the quarter ending September 30, 2020. Total operating revenues for 2020 were budgeted at $373.2 million, with actual YTD (through September 2020) at $293.6. Power Supply (Purchase Power and Fuel) and Operations and maintenance expenses were budgeted at $302 million, with actual YTD at $203.8 million. Total Cash Available was budgeted at $75.7 million and actuals at $95.1 million. Mr. Stubbert also reviewed a quarterly recap by administration for both operations/maintenance and capital. He then presented the District’s debt position, and Unrestricted Cash and Composition, through October 2020 in comparison to the third quarter of
2019. Key takeaway’s show the District is in a strong financial position with enough cash projected to be generated to cash fund capital for 2020. Both the Operations/Maintenance and Capital are projected to be below budget. The Board Vice-President asked for comments from the public and there were none.

GENERAL MANAGER’S UPDATE

General Manager Michelle Reimers asked CFO/AGM Financial Services Brian Stubbert to report on the Power Supply Adjustment rate. He reported the PSA is expected to remain a credit of $0.005/kWh to the customer in the near term but as power supply costs change, the District expects the PSA rate to change accordingly. The calculation in September 2020 for the PSA showed a balance of $100.9 million.

AGM Power Supply Dan Severson reported on the successful transfer of the District becoming its own balancing authority on November 10, noting it as an economic advantage with less chance of curtailment issues. He wished to commend project leader, Utility Analyst Nicole Lange, and other staff for their dedication to the project, and also Trading and Scheduling Department Manager Bill Bacca for the continued progress on the EIM project which will go-live on March 25.

General Manager Michelle Reimers reported staff has been working hard on numerous projects from different areas of the District including the successful implementation of the C2M program. Minimal issues were detected and resolved by staff. She wished to recognize employees involved with the project for their dedication and a smooth transition causing no impact to customers. Ms. Reimers then addressed the earlier concerns expressed by Director Frantz on the way allocations are determined and presented within the budget. She emphasized that although the current Management Team works differently than before, they embrace new technology while determining how many full-time employees are needed each year and what can be justified as a whole. Allocations left vacant through retirement or job transfers are looked at by the Management Team on whether the position needs to be filled or if it can be assumed by other staff. She also noted that having a hard number for allocations has made it challenging by not having the resources to accomplish specific tasks, and by including these allocation numbers within the budget is a more transparent way to address personnel actually being paid in 2021. Director Frantz recommended splitting out the allocations by full-time and temporary so it is clear when a temporary position is phased out due to completion of a project and should no longer show as an over-allocation. He stated that from a governance standpoint, board members need to see the over-allocations and when staff were no longer in those positions. General Manager Michelle Reimers stated management staff continually looks at how many full-time employees are needed to implement specific projects but perhaps creating a different roadmap with a longer term vision would address those concerns.

BUSINESS OF THE BOARD

Director Macedo reported on the DPRA meeting he attended the previous week. He stated business included the adoption of the 2021 DPRA budget.
MOTION TO ADJOURN

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

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

Tami Wallenburg
Executive Secretary to the Board of Directors