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

Turlock, California
19 November 2019

The meeting of the Board of Directors of the Turlock Irrigation District was called to order at 9:00 a.m. in regular session on the 19th day of November 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 Frantz, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of November 5, 2019.
B. Demands against the District represented by check numbers 388516 to 388908, inclusive, in the amount of $20,584,740.69.

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

PUBLIC COMMENT PERIOD

There was none.

WEEKLY STAFF REPORTS

Line Division Manager Denver Hodges presented the report for the Electrical Engineering and Line Department for the month of October. The SAIDI (System Average Interruption Duration Index) year-to-date figure is 39.9. (SAIDI totals the duration of each outage then divides it by the customer base, and is considered a commonly used formula in the industry). The monthly average for customers without power was 8.3 minutes. Major outage contributors in October show tree interference at 33 percent, equipment at 25 percent, weather at 24 percent and third party at 18 percent. Electrical Engineering Design received 66 customer job requests with 41 sent to the Line Department for completion. There were also 84 jobs sent to the Line Department for construction. Construction lead time in October for contracted crews was one week for customer jobs. The crew structure in October consisted of two 2-person crews, and four 5-person crews. Work flow remains even for customer jobs, maintenance and capital work.
Energy Trader Wes Kellison reviewed operations for the month of October. The Balancing Authority Area daily estimated system peaks averaged 391 megawatts for the month. The load was met with TID hydro at 2.2 percent, thermal generation at 60.4 percent, wind exchange at 8.1 percent, Short Term (monthly) at 18.7 percent, and long-term at 7.3 percent. The Tuolumne Wind Project (TWP) generated 30,628 MWh’s during the month of October at the Willis Substation, averaging at 30 percent of capacity. Natural gas prices at Pacific Gas & Electric Company’s Citygate averaged out at $3.15/mmBTU. Mr. Kellison also reviewed Powerdex pricing for the month using the hour-ahead market index and CAISO’s day-ahead and hour-ahead market selling prices. Almond Power Plant generated 20,510 MWh, Almond 2 at 19,330 MWh and Walnut GT at 13 MWh. Walnut Energy Center generated 103,872 MWh. Solar generation for October totaled 4,434 MWh. Electric operations for this period show all of Walnut Energy Center was offline 14 days for economics, with half of the plant online for 16 days; Almond was online the entire month primarily for operations; all of Don Pedro was out of service from September 28 through November 5 for scheduled work; and import capability was limited the entire month due to scheduled work.

Utility Analyst 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 0.32 inches, or 6.5 percent of normal to date. San Francisco reservoirs contain 509,202 acre-feet and the Water Bank is at 570,000 acre-feet of credit. CCSF releases averaged 431 cfs with diversions averaging 329 cfs. Don Pedro contains 1,597,693 acre-feet. Average combined releases were 351 cubic feet per second with 1 cfs to TID canals, 31 cfs to Modesto Irrigation District and the remaining 319 cfs going to the river. Computed natural flow is averaging 170 cfs, and computed natural flow to date for the current water year is 29,403 af or 41.4 percent of average. Turlock Lake contains 30,942 acre-feet of water. The updated weekly watershed report shows Don Pedro remained relatively flat when compared to the previous week.

RESOLUTION NO. 2019 - 65

RESOLUTION REAFFIRMING TURLOCK IRRIGATION DISTRICT’S ONGOING COMMITMENT TO DAM SAFETY AND THE EXPECTATION FOR THOSE PARTIES RESPONSIBLE FOR DAM SAFETY

WHEREAS, Turlock Irrigation District (‘TID’) is the Operator of the Don Pedro, La Grange, Turlock Lake, Upper and Lower Dawson, and Hickman dams; and

WHEREAS, Turlock Irrigation District has prepared an Owner’s Dam Safety Program (ODSP) for the Don Pedro, La Grange, Turlock Lake, Upper and Lower Dawson, and Hickman dams per FERC’s guidelines and requirements; and

WHEREAS, the ODSP requires that the Board of Directors annually reaffirm the TID’s ongoing commitment to dam safety and the expectation for those parties responsible for dam safety.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that TID reaffirms its ongoing commitment to dam safety and the expectations for those parties responsible for dam safety as described in the Owner’s Dam Safety
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.

Director Alamo left the room due to a conflict of interest on the following proposed item.

RESOLUTION NO. 2019 - 66

RESOLUTION DECLARING PROPERTY NO LONGER NECESSARY FOR DISTRICT PURPOSES AND AUTHORIZING SALE AT THE DISCRETION OF THE AGM - ELECTRICAL ENGINEERING AND OPERATIONS

WHEREAS, The Turlock Irrigation District owns certain property described in the attached property list identified at Exhibit A and made a part hereof by reference; and

WHEREAS, it has been determined in accordance with Section 22500 of the Water Code that said property is no longer necessary for District purposes and it is in the best interest of the District to sell said property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that said property is declared no longer necessary for District purposes and that said property shall be disposed of by the Assistant General Manager of Electrical Engineering and Operations under such terms and conditions as deemed appropriate.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

Director Alamo returned to the meeting.
REGULATORY/LEGISLATIVE UPDATE

Regulatory Analyst Herb Smart presented a water regulatory update on several topics. In regards to the Sustainable Groundwater Management Act, he stated there are 804 days before the deadline for agencies to submit all groundwater sustainability plans. The modeling for the local West Turlock Subbasin Groundwater Sustainability Agency (WTS GSA) plan is currently being finalized and will be made public on December 12 at a planned workshop in Ceres. The agency recently submitted a grant application to assist with development costs and outreach. Mr. Smart also reviewed ongoing matters involving the State Water Resources Control Board, including the adoption of the CV Salts initiative adopted on October 16th of this year. This item now sits with administrative law as they determine a discharge path or a joint management zone. He noted that although TID is not a discharger, the growers in the District are, so plans will be implemented over the next 30 years. The SWRCB released draft goals relating to the biological objectives for implementation of the Bay Delta Plan. The District submitted comments regarding the unfair flow demands, as did numerous other agencies, so for now all are waiting to see how this will play out in the next few months. Also, on April 2, the SWRCB took action to further define the Waters of the State (or WOTS, formerly known as the Wetlands Policy). They will develop a framework document so governmental staff will see how this develops in the spring. Regarding the Waters of the United States (WOTUS), the Environmental Protection Agency (EPA) and the Army Corp of Engineers published a final rule to repeal the 2015 rule that expanded the definition of “waters of the United States” under the Clean Water Act. This decision should have no impact on the District.

The District’s newest Regulatory Analyst, Austin Avery, presented updates on several Energy Regulatory matters. The California Renewable Energy Act, SB 100, requires the state provide 100 percent carbon-free electricity by 2045. As a result of that bill, the California Air Resources Control Board (CARB) implemented the Advanced Clean Trucks Rule for any vehicles 8,500 lbs. and above. CARB is looking to reduce emissions so they are gathering data from 12,000 reporting entities of the state as a stepping stone for future regulation. A revised draft version of the SF6 regulation, which requires the reduction of Sulfur Hexafluoride emissions from gas insulated switchgear, was released by CARB over the summer. Sulfur Hexafluoride is a high density gas which directs the flow of electricity and is used statewide by most utilities. The District desires to phase out use of the product as there is new alternative gas or vacuum based technology which can replace the current practice. Mr. Avery then reviewed AB 1110, the GHG emissions intensity reporting bill for retail electricity suppliers, and how it impacts the District’s Tuolumne Wind Project located in Washington State. In regards to the Renewable Portfolio Standards (RPS) Enforcement proceeding, Director Santos questioned if SB 100 has any role to which Mr. Avery responded. He noted that although greenhouse gas standards have improved, the electrification of vehicles is needed to get emissions to an acceptable level and to spur technology growth. Mr. Avery emphasized that because we’ve seen success in the past does not mean it is indicative of the future. Director Frantz questioned if there is a possibility the Districts’ wind project would no longer be considered as “grandfathered” in. Mr. Avery responded that it is the District’s stand that we were early players in complying with increased RPS standards and have been proactive, so since the law shows the wind project is indeed grandfathered in then it needs to continue to do so. Director Frantz also commended Mr. Avery for his performance and enthusiasm throughout the presentation.

Government Affairs Manager Josh Weimer reported on several state legislative items. PG&E issues continue to dominate Sacramento. Their bankruptcy filing has caused a lot of
uncertainty throughout the state in regards to renewable contracts and other matters. He then reviewed several pieces of legislation with potential impacts to the District. On the topic of Wildfire Legislation, signed bills AB 1054 and SB 209 creates a new Wildfire Safety Advisory Board and also creates a statewide wildfire forecasting center which will be a good resource for the District. Governor Newsom remains very involved with ongoing matters involving PG&E.

Mr. Weimer continued review of a proposed water legislation bill, SB 487 (Airborne Snow Observatory Program), which TID and Friant sponsored. This bill was vetoed by Governor Newsom. SB 1 was introduced as a response to the weakening of environmental laws which was a large concern to water users. Although the bill did pass in the final moments of the day, Governor Newsom vetoed it. Mr. Weimer also noted that due to the focus being on clean drinking water, SB 200 created a fund to assist those impacted. Energy legislation included an amendment to SB 386, the California Renewables Portfolio Standard: irrigation districts, which would impact the RPS for Don Pedro Reservoir. There were issues on equity so the bill was narrowed down and presented to committee but was a few votes short to make it out of the House of Origins so the author held it out and will address concerns in January. Assemblyman Adam Gray introduced ACA-17 regarding hydroelectric generation facilities being included as renewable energy. The bill requires a 2/3 vote in Legislature and staff anticipates more conversations in the next few months to make sure hydroelectric is recognized in 2020.

2020 BUDGET REVIEW FOR THE GENERAL MANAGER’S, EXTERNAL AFFAIRS, AND FINANCIAL SERVICES ADMINISTRATIONS

CFO/AGM Financial Services Brian Stubbert provided an overview of the Turlock Irrigation District 2020 Business Plan. Revenue growth is expected to remain relatively flat with no planned rate increases. Revenue financed capital (net of contributions) for 2020 is $50.9 million. Operations and maintenance assumptions include Pension contributions of $15.2 million, public benefits at $8 million, joint power agreements debt down $0.4 million, rate stabilization transfer of $16 million to cash fund capital projects in 2020 in lieu of debt, more Wind generation utilized for the District’s needs reducing Wholesale Wind Revenue. Proposed staffing by administration for 2020 shows no changes to the amount of 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 or reorganization revisions.

The General Manager’s operations and maintenance budget is proposed at $3.4 million, a decrease of 0.4% and include 10 full time employees. The General Manager’s capital budget will remain the same with $50,000 in a contingency plan and $2.0 million for the FERC Relicensing of Don Pedro.

The External Affairs administration budget is proposed at $7.2 million, an increase of 11.8% due in part to the transfer of 39 full-time employee positions from the General Manager’s Administration to External Affairs. External Affairs has no capital budgeted for 2020. Budget changes include the Public Benefits Department and Customer Service now reporting to External Affairs, and the Electric Utility Billing Software replacement reaching completion in the middle of 2020. Employees working on the project will return to their home administrations upon completion.
The Financial Services Administration proposed operations and maintenance budget is proposed at $17.9 million, an increase of 8.1%. Budget changes include an increase of 10 full-time employees, energy management system upgrade of $155,000, new software/fees of $250,000, and support and maintenance fees for the new Customer Information System. The Capital Budget for Financial Services is proposed at $8.2 million with larger cost items of $4.1 million for the C2M Project, $1.3 million for vehicle replacement and modifications, $1.2 million for EMS replacement, and $700,000 for network infrastructure.

GENERAL MANAGER REPORT

General Manager Casey Hashimoto had no new items to report.

BUSINESS OF THE BOARD

Director Frantz reported on his attendance at the SJTA Commission meeting on November 18. He stated items discussed included the announcement of Legal Counsel Tim O’Laughlin’s relocation to Maui for a new position, and his revised role as strategic advisor to the Commission. Attorneys from the same firm, Bill Paris and Valerie Kincaid, will continue to serve in a legal capacity for SJTA matters. He also noted he recently spoke at an agricultural event at the Turlock Fairgrounds representing the District.

Director Alamo reported his attendance at the West Turlock Subbasin GSA meeting on November 7. He stated Dorinda Soiseth was honored as outgoing secretary for the group due to her upcoming retirement. The GSA also set meeting dates for the next year.

MOTION TO ADJOURN

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