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

Turlock, California
20 November 2018

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 20th day of November 2018. 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 November 6, 2018 and the special meeting of November 13, 2018.
B. Demands against the District represented by check numbers 378598 to 378988, inclusive, in the amount of $18,637,087.42.

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

PUBLIC COMMENT PERIOD

Customer Kurt Spycher expressed concerns regarding the District’s change from odd to even years for the board member election cycle. Although he understood this was mandated by the counties and not initiated by the District, he felt the public should have had the opportunity to comment on the change to the length of the elected official’s terms. (Note: Board member elections in 2015 and 2017 were extended to a five (5) year term one time only. Subsequent Board member elections in 2020 and 2022 will return to a four (4) year term).

PUBLIC HEARING

A public hearing was opened at 9:05 a.m. to receive comments from the public regarding the proposed inclusion into ID No. 00520, known as the Delhi State Land Settlement. Hearing no comments from the public, the hearing was closed at 9:06 a.m. and the following action was taken:
RESOLUTION NO. 2018 - 59

RESOLUTION OF FINAL ORDER OF THE BOARD OF DIRECTORS OF THE TURLOCK IRRIGATION DISTRICT APPROVING INCLUSION OF ADDITIONAL LAND INTO IMPROVEMENT DISTRICT NO. 00520, KNOWN AS DELHI STATE LAND SETTLEMENT

WHEREAS, the Board of Directors of the Turlock Irrigation District on November 20, 2018 at 9:00 a.m., held a public hearing on the petition for inclusion of additional land into Improvement District No. 00520, known as Delhi State Land Settlement, under the provisions of Part 7, Division 11, of the California Water Code.

Based upon the evidence presented at the public hearing, the Board finds:

1. All of the landowners of the parcel described in attached Exhibit A to be included have signed a petition for inclusion and have properly filed the petition with the Board. The petition is incorporated herein by reference.

2. The District's Water Resources Administration, in accordance with a Board resolution, has properly prepared a Report of Survey of the proposed inclusion, an Estimate of the Cost of the Inclusion, and the Statement of Proposed Charge for inclusion into the improvement district.

3. Proper and timely notice of the public hearing was given in accordance with California Water Code Section 23646 and/or the California Constitution.

4. The land, which the Board finds should be included, is described in the attached Exhibit A and incorporated herein by reference.

5. The land to be included within the improvement district will be benefited by the improvement district facilities.

6. Two Thousand, Nine Hundred and 82/100 dollars ($2,900.82) is a just charge, which the landowner must pay as a prerequisite for the land being included into the improvement district, and that land title holder will deposit that amount of money with the Executive Secretary of the Board for payment of that charge before recordation of the Final Order.

7. The Board tabulated the ballots submitted and determined no majority protest exists.

8. The landowners have agreed to pay all future assessments levied upon the land by the Turlock Irrigation District for the maintenance and operation of the improvement district.

9. It will be in the best interests of the Turlock Irrigation District and the improvement district to allow the land described in Exhibit A to be included in the improvement district.

NOW, THEREFORE BE IT HEREBY ORDERED AND DECREED by the Board of Directors of the Turlock Irrigation District that the petition for the inclusion of additional land into Improvement District No. 00520 is hereby approved, and that the lands described in Exhibit A is hereby included within the improvement district.

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.

WEEKLY UPDATES

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 44.6. (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 7 minutes. Major outage contributors in October show third party damage at 20 percent, animals at 6 percent, interference at 12 percent, and equipment failure at 59 percent. Electrical Engineering Design received 70 job requests with 55 sent to the Line Department for completion. Construction lead time in October for contracted crews was one week for customer jobs. The crew structure in October consisted of one 2-person crew, four 5-person crews and one 4-person contract crew.

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 0.77 inches, or 14.8 percent of normal to date. (Precipitation data is reset every year on September 1 and the water year figures are reset annually on October 1). San Francisco reservoirs contain 499,111 acre-feet and the Water Bank is at 570,000 acre-feet of credit. Don Pedro contains 1,384,142 acre-feet. Average combined releases are at 238 cubic feet per second with 1 cfs to Turlock Irrigation District, 21 cfs to Modesto Irrigation District, and the remaining 216 cfs to the Tuolumne River. Computed natural flow is averaging -5 cfs. Turlock Lake contains 30,447 acre-feet of water.

MOTION APPROVING APPLICATION FOR INSTALLATION OF A 12-INCH SIDE GATE IN THE UPPER LATERAL 2 1/2 CANAL BY MANUEL BETTENCOURT

Moved by Director Frantz, seconded by Director Macedo, that the application of Manuel Bettencourt, dated November 14, 2018 for installation of one 12” sidegate in Turlock Irrigation District’s Upper Lateral 2 1/2 Canal be approved.

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

MOTION APPROVING APPLICATION FOR INSTALLATION OF A 15-INCH SIDE GATE IN THE LATERAL 5 1/2 CANAL BY DAVE HOMEN

Moved by Director Macedo, seconded by Director Frantz, that the application of Dave Homen, dated November 13, 2018 for installation of one 15” sidegate in Turlock Irrigation District’s Lateral 5 1/2 Canal be approved.

All voted in favor with none opposed. The President declared the motion carried.
RESOLUTION NO. 2018 - 60

RESOLUTION APPROVING TURLOCK IRRIGATION DISTRICT INVESTMENT POLICY AND AUTHORIZING THE TREASURER TO PERFORM INVESTMENT ACTIVITY

WHEREAS, the California Government Code requires that Turlock Irrigation District ("District") annually review its Investment Policy and annually delegate the authority to its Treasurer to perform investment activity on its behalf; and

WHEREAS, the Treasurer has reviewed said policy and has determined that certain changes in said policy are necessary at this time.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the District’s revised Investment Policy dated November 20, 2018 be approved and that the Treasurer be authorized to perform all investment activity on behalf of the District.

Moved by Director Santos, seconded by Director Frantz, 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 NOVEMBER 27, 2018

Moved by Director Macedo, seconded by Director Santos, that the regular meeting of the Board of Directors of the Turlock Irrigation District scheduled for November 27, 2018, be canceled.

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

RESOLUTION NO. 2018 - 61

RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF TURLOCK IRRIGATION DISTRICT WARRANTS FROM NOVEMBER 21 THROUGH NOVEMBER 27, 2018

WHEREAS, because the Board of Directors will not hold its regular meeting on November 27, 2018; 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 November 21 through November 27, 2018 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 December 4, 2018, 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.

FINANCIAL SERVICES ADMINISTRATION REPORT

CFO/AGM Financial Services Brian Stubbert reviewed current activities within the Financial Services Administration. The implementation of new features for the online water request system is nearing completion. The new program provides parcel information such as water requests and deliveries for each parcel as well as current season irrigation history. Each parcel will be assigned a personal identification number or PIN and growers with multiple parcels would have multiple pins. This feature was added as an additional security measure. Director Alamo questioned whether the system was secure if the irrigator happened to call in with the PIN instead of using the online feature and Mr. Stubbert noted there would be a series of security questions that would be asked to verify the caller can order water for a particular parcel. Letters will be sent to growers explaining the upcoming change and information will also be available on the District website and the Online Water Request System.

IT Services Applications Division Manager Jeff Hanson and IT Services Student Intern Sara Zaldana then presented how the actual online dashboard will appear and function. Staff utilized modern dashboard software to increase information availability for the Water Distribution Operators (WDOs) and to also improve management visibility of irrigation related information. The previous online system lacked real-time water order visibility for the WDOs and irrigation managers did not have real-time view of daily, weekly water order and receipt information. Originally, WDO’s relied on standard or on-demand reports for incoming water orders with no single view of orders, pump usage and existing receipts. The new program will show requests by irrigation type/service area, pending requests delivery duration and volume, pump usage over the
previous 7 days and current-day water requests. Benefits of the new program include a visual representation which can be readily understood, improves WDO engagement by use of performance comparison and a reduction in the number of late or outstanding water receipts.

**2019 BUDGET REVIEW FOR THE GENERAL MANAGER’S, EXTERNAL AFFAIRS, POWER SUPPLY AND ELECTRICAL ENGINEERING AND OPERATIONS ADMINISTRATIONS**

CFO/AGM Financial Services Brian Stubbert provided an overview of the Turlock Irrigation District 2019 Business Plan. Revenues are projected to be down slightly with total cash available at $75.5 million and revenue financed capital for 2019 is $24 million. Overall, this leads to about $22.6 million for reserves, with debt service coverage at 1.98. The Revenue Capital forecast shows growth relatively flat due to an unpredictable wholesale market. Purchase Power and fuel challenges include forward market curve vs. actual pricing, hydro conditions and river requirements, TWPA output uncertainty and the evolving environmental frontier. Operations and maintenance impacts include capital labor and benefits up $1.8 million, Pension contribution of $15.2 million, public benefits at $8.3 million, joint power agreements debt down $1.2 million and audit services down $0.3 million. Proposed staffing by administration for 2019 shows a decrease of 10 full time employees (FTE’s) for the General Manager’s administration, an increase of 3 FTE’s for External Affairs, an increase of 16 FTE’s for Water Resources, an increase of four FTE’s for Electrical Engineering and Operations, and a decrease of four FTE’s for Power Supply. Mr. Stubbert noted that the majority of staffing changes involved employee’s moving from one administration to another due to classification or reorganization revisions.

The General Manager’s operations and maintenance budget will decrease by 6.8% due to 10 FTE’s classification changes. 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.

AGM External Affairs Michelle Reimers presented the proposed 2019 budget for the External Affairs Administration. The EA budget will decrease by 6.5% due in part to the Public Benefits Department now within External affairs. Full time employee positions will increase by three as well as the addition of a Regulatory Analyst. External Affairs has no capital budgeted for 2019.

AGM Power Supply Brad Koehn reviewed the proposed budget for the Power Supply Administration. The operations and maintenance budget will decrease slightly by 1.1% with full time employees down by 4. Mr. Koehn also reported on the Walnut Energy Center and Tuolumne Wind Project budgets for 2019. The WECA capital budget is proposed at $6.7 million with the operations and maintenance budget at $15.6 million. The TWPA capital budget is proposed at $578,000 with the operations and maintenance budget at $13.8 million.

AGM Electrical Engineering/Operations Manjot Gill presented the proposed budget for Electrical Engineering and Operations. The operations and maintenance budget will increase by 10 percent with budget impacts contributed to service reliability, wage increases and full-time employees up by 4 when compared to 2018. The capital budget is proposed at $18.2 million with large expenditures being $3.3 million for upgrades to the transmission and distribution lines, $2.0 for the 230kV pole painting/refurbishment project, $2.4 million for routine expansion of services and $1.8 for routine expansion of transformers.
BUSINESS OF THE BOARD

There was none.

RECESS

The meeting was recessed at 10:20 a.m.

RECONVENE

The regular meeting was reconvened in GM Conference Room 172 at 10:30 a.m. with all officers present as per the previous session.

INTEGRATED RESOURCES PLAN WORKSHOP

AGM Power Supply Brad Koehn and power supply staff members Willie Manuel, Colin Selby and Cory Booker, presented the proposed Integrated Resource Plan. In 2015, approved Senate Bill 350 required the California Energy commission (CEC) to establish statewide targets to double energy efficiency savings achievement. The bill increased RPS targets to 50 percent by 2030 and required several electric service providers with an annual electrical demand exceeding 700 GWh to adopt integrated resource plans (IRPs) that meet certain requirements and schedule updates for public owned utilities (POUs) every five years. Per CEC guidelines, the IRP must cover the period of January 1, 2018 through December 31, 2030. IRP requirements must meet greenhouse gas (GHG) targets established by the Air Resources Board (40% reduction from 1990 levels by 2030) and ensure procurement of at least 50% renewable by 2030. Other requirements include minimal impact on ratepayers, minimization of local air pollutants and GHG with early priority on disadvantaged communities and electrification of transportation. The IRP should also include a diversified portfolio consisting of both short and long-term electricity and demand response products. The Districts’ normal IRP objectives are consistent with SB350 and provides a snapshot of future needs and surplus, and how they can be met at the least projected cost and acceptable risk. The 2019 TID IRP is focused on addressing the requirements of SB350 and CEC IRP guidelines and although the IRP provided a roadmap to the future, future actions may vary from the IRP due to changing assumptions, marked conditions and regulations. As part of the current IRP, the District deployed the installation of Smart Meters on all customers (expected completion in 2018) that will support load analysis, rate design, and demand side management programs. The District also has several ongoing successful Energy Efficiency programs for both residential and non-residential customers. On January 1, 2019, TID will implement an Electric Vehicle program that will comprise of customer incentives, community partnerships, changes in the District fleet and an employee charging policy. Disadvantaged communities will receive discounted rates and weatherization for low income customers, and higher Electric Vehicle rebates. TID has also planned transmission and distribution upgrades/additions to accommodate projected load growth which is anticipated to grow about 0.4% per year during the 2018-2030 planning period. EVs will reach over 6,600 vehicles in 2030 representing 1 percent of the load. Existing generation and transmission resources will be sufficient to meet energy, capacity and reserve requirements. New renewable resources will be needed by 2025 to comply with SB100 and GHG targets. Adding large scale intermittent renewable resources in TIDs system may require additional flexible resources like energy storage, so staff recommended adding a small energy storage system in the near future.
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