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

Turlock, California
October 13 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 13th day of October 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.

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. 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 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 Alamo, seconded by Director Macedo, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of September 29, 2020.
B. Demands against the District represented by check numbers 396775 to 397150, inclusive, in the amount of $7,487,660.46.

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

PUBLIC COMMENT PERIOD

Customer Milt Treiwieler expressed concerns regarding the Walnut Energy Center and potential impacts to climate change.

WEEKLY/MONTHLY REPORTS

Line Division Manager Denver Hodges presented the report for the Electrical Engineering and Line Department for the month of September. The SAIDI (System Average Interruption
Duration Index) year-to-date figure is 41. (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 September monthly average for customers without power was 4.6 minutes. Major outage contributors for the month show equipment failures at 16 percent, third party (car/pole incidents) at 42 percent, weather at 34 percent and unknown causes at 8 percent. Electrical Engineering Design received 82 customer job requests with 67 being sent to the Line Department for completion. Construction lead time for the month was 1.5 weeks for customer jobs. The crew structure remains at four 5-person crews. Customer and Capital work remained balanced through the month.

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 0.03 inches, or 2.6 percent of normal to date (Note: The new precipitation water year begins on September 1 each year). Forecasted temperatures show they are approximately five degrees above average over the next 16-days ranging from 81 to 74 degrees for a high and around 50 degrees for a low. San Francisco reservoirs contain 495,367 acre-feet and the Water Bank is at 514,276 acre-feet of credit. CCSF releases for the past 7-days averaged at 488 cfs with 311 cfs in diversions. Don Pedro contains 1,416,315 acre-feet and is currently at 775.9 elevation. Average combined releases were 227 cubic feet per second with 7 cfs to TID canals, 71 cfs to Modesto Irrigation District and the remaining 149 cfs going to the Tuolumne River. Computed natural flow for the current water-year is averaging 128 cfs, and computed natural flow to date is 2,276 af or 1.2 percent of average. Turlock Lake contains 21,955 acre-feet of water. The updated weekly watershed report shows Don Pedro elevation remained the same when compared to the previous week. Director The Board President asked for comments from the public, and there were none.

Water Distribution Department Manager Mike Kavarian reported on activity from October 5-11. Daily releases from Turlock Lake averaged 653 cfs, or 67 cfs below projections. Water orders received during this time period totaled 1,033. Flows ranged between 740 to 560 cfs. Mr. Kavarian also noted that the last day to order water would be October 25 with deliveries ending on October 28. Staff will begin shutting the canal system down on October 29. The Board President asked for comments from the public, and there were none.

RESOLUTION NO. 2020 - 39

RESOLUTION AUTHORIZING SURVEY AND PREPARATION OF CHARGES FOR PROPOSED ASSESSMENT OF PROPOSED INCLUSIONS INTO IMPROVEMENT DISTRICT NO. 01171, COLBURN, IMPROVEMENT DISTRICT NO. 03700, COLBURN MCCOY BR., AND IMPROVEMENT DISTRICT NO. 09370, COLBURN LOWER BR.

WHEREAS, two petitions for the inclusion of additional land into Improvement District Nos. 01171, 03700, and 09370, having been received by the Board of Directors of the Turlock Irrigation District, which petitions were properly filed and signed by all the owners of the additional land in accordance with California Water Code Section 23875-23876.

NOW, THEREFORE BE IT HEREBY ORDERED that the Turlock Irrigation District's Water Resources Administration make a survey of the proposed inclusions. If, upon completion of such survey, the Water Resources Administration finds that the proposed inclusions are feasible, the Water Resources Administration is further ordered to prepare a statement of the proposed
charge for such inclusions according to the benefits that will accrue to each parcel of land proposed to be included into the improvement districts.

IT IS FURTHER ORDERED that any survey and statement of proposed charge prepared pursuant to this resolution be filed with the Executive Secretary of the Turlock Irrigation District and said documents shall be subject to the inspection of all interested parties.

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 President declared the resolution adopted.

MOTION CANCELING THE TURLOCK IRRIGATION DISTRICT
REGULAR BOARD MEETING OF OCTOBER 20, 2020

Moved by Director Fernandes, seconded by Director Frantz, that the regular meeting of the Board of Directors of the Turlock Irrigation District scheduled for October 20, 2020, be canceled.

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

RESOLUTION NO. 2020 - 40

RESOLUTION DELEGATING AUTHORITY TO APPROVE
PAYMENT OF TURLOCK IRRIGATION DISTRICT
WARRANTS FROM OCTOBER 14 THROUGH OCTOBER 20, 2020

WHEREAS, because the Board of Directors will not hold its regular meeting on October 20, 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 October 14 through October 20, 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 October 27, 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 Fernandes, seconded by Director Macedo, 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 TO ADJOURN TO CLOSED SESSION

Moved by Director Alamo, seconded by Director Frantz, 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 041-053-010
   Agency negotiator: Tristan Higgins
   Negotiating parties: David Homen
   Under negotiation: Price and terms
   - Tou Her, AGM Water Resources
   - Tristan Higgins, Survey/Right-of-Way Manager
   - Sara Lima, Assistant General Counsel

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

The President left the meeting.

RECONVENE - REPORT OF ACTION TAKEN IN CLOSED SESSION

The Vice-President announced no reportable action was taken in closed session.

RESOLUTION NO. 2020 - 41

RESOLUTION TO PURCHASE REAL PROPERTY

WHEREAS, the Board of Directors of the Turlock Irrigation District have directed staff to pursue viable sites for the development of a Ceres Main Regulating Reservoir; and

WHEREAS, an ideal parcel according to District staff analysis, known as Stanislaus County Assessor’s Parcel 041-053-010 has become available; and
WHEREAS, District Real Property Negotiators have established a price for the parcel of One Million, Six Hundred Fifty-Seven Thousand, Nine Hundred Twenty-Five Dollars ($1,657,925.00); and

WHEREAS, the seller of the parcel is willing to sell for the terms and conditions of the Purchase and Sale Agreement; and

WHEREAS, the Board of Directors has the option under the Purchase and Sale Agreement to either approve of, or reject, the terms and conditions of the sale.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the Adoption of a Resolution to Purchase Real Property is hereby approved, and the General Manager or her designee is hereby authorized and directed to execute all documents necessary to finalize purchase of the property.

Moved by Director Alamo, seconded by Director Macedo, that the foregoing resolution be approved.

Upon roll call the following vote was had:

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

The Vice-President declared the resolution adopted.

RESOLUTION NO. 2020 - 42

RESOLUTION ADOPTING AN AMENDMENT TO THE TURLOCK IRRIGATION DISTRICT 2020 CAPITAL BUDGET

WHEREAS, the Turlock Irrigation District 2020 Budget was adopted on December 10, 2019; and

WHEREAS the Turlock Irrigation District desires to purchase a parcel of land of approximately 39.01 acres for a price of $1,657,925.00; and

WHEREAS, the parcel being purchased was not included in the Water Resources Administration 2020 Capital Budget and may cause the District to exceed the overall 2020 Capital budget of the Turlock Irrigation District; and

WHEREAS, the Turlock Irrigation District has the desire to purchase and the necessary funds to purchase the parcel at the agreed upon price.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the resolution adopting an amendment to the Water Resources Administration 2020 Capital Budget is hereby approved.
Moved by Director Alamo, seconded by Director Macedo, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

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

The Vice-President declared the resolution adopted.

The President returned to the meeting.

**CASH RESERVE POLICY WORKSHOP**

CFO/AGM Financial Services Brian Stubbert and PFM Managing Director Dennis Waley presented information on a proposed Reserve Policy and rating agency considerations. They stated a strong cash position provides multiple benefits to the District and its ratepayers including rate stability during periods of uncertainty, the ability to quickly respond to emergencies and the ability to cash fund capital improvements. PFM continues to recommend that the District remain conservative in its approach to cash reserve targets, particularly at the higher AA- rating category. PFM also believes it is prudent for the District to continue to maintain strong cash levels to ensure rating stability and a liquidity target can provide guideposts for financial decision-makers and future Boards. The District’s unrestricted cash categories include General Operating Fund, Rate Stabilization Fund and Capital Improvement Reserve. Mr. Stubbert noted the District does not currently maintain formal target balances of its reserve categories and the proposed Reserve Policy identifies an overall target range for the combined reserve funds. Key points in the proposed policy include an establishment of roles and responsibilities; setting of reserve target ranges between 225 days and 275 days cash/liquidity on hand; establishes a process for when cash on hand exceeds the target range; and establishes a replenishment process and timeline for when cash on hand drops below the target range. Currently, the cash on hand exceeds the upper level of the reserve range so the current plan is to cash fund capital projects for the foreseeable future while continually exploring the best use for cash. Financial Services staff will update the General Manager, Chief Operating Officer and the Board as appropriate. Mr. Stubbert and Mr. Waley then reviewed Key Debt Metrics and Key Financial Metrics noting these are not part of the proposed Reserve Policy and for informational purposes only. Board members asked several questions regarding the reserve target ranges and the use of budgetary numbers as opposed to actuals, and the possibility of moving forward on a less conservative approach without a negative impact to ratepayers to which Mr. Waley stated the approach has always been to err on the side of being conservative but noting adjustments can be made in the future if the board members so desire.

**GENERAL MANAGER’S UPDATE**

General Manager Michelle Reimers and Chief Operating Officer Brad Koehn presented an update on the District’s Covid Re-entry plans for employees. Mr. Koehn reviewed potential impacts and how the District can remain flexible for employees and customers as further re-entry progresses to the next tier. On the operational side, non-general business includes vendors who have been more restrictive in their contact with staff, as well as the annual NERC Audit which was conducted virtually/remotely this year with a successful outcome. Another example of non-general
business would be the successful Don Pedro Emergency Action Plan (EAP) functional exercise which included approximately 60 attendees. He then reviewed general business functions that have gone through changes such as customer service wait times and call volume, energy programs and residential audits as well as staff check-ins and day-to-day collaborations, expectations and accountability. General Manager Michelle Reimers then reviewed the 4-Phased Re-Entry Plan developed earlier in the year and influenced by local and state guidelines. Initially, approximately 78 essential employees were retained onsite throughout the District. Phase 2a included the re-entry of another 50 employees, followed by Phase 2b allowing an additional 50 employees back onsite. As Stanislaus County cases decreased and the county was allowed to move into the next tier, the District moved into Phase 3a which will allow the return of an additional 82 employees overall on October 19, with approximately half of those returning to a flex schedule by coming into the office on specific days. Ms. Reimers reviewed Phase 3b which focuses on those considered high risk and noted the difficulty of creating a timeline for Phase 4, which is the total re-entry of all employees. The District’s Management Team will continue to meet weekly and also continue conversations with the county on bringing employees back safely. Board members concurred that General Manager Michelle Reimers, COO Brad Koehn and the management team have done a great job protecting employees during this unprecedented time while also providing continued exceptional service to District customers. Board members recommended the creation of a hybrid model to assist the Management Team in the re-entry of employees while also being mindful that although an employee may not be compromised or considered high-risk themselves, they may have a family member who would fall in that category.

CFO/AGM Financial Services Brian Stubbert reported on financial impacts to the District due to the decision of ceasing all delinquent notices and disconnects for customers during this difficult time. Currently, there is $5.5 million receivables in past due, up approximately $2.5 million when compared to this time last year. Director Frantz expressed concern over the need to balance between being compassionate to the community while also being good stewards of rate payers’ money by expecting customers to pay their bills. Ms. Reimers stated she has contacted several like utilities to see how they are handling collections as offices slowly reopen noting that most are looking at the start of 2021 to begin the process of collection and potential disconnect of services. She then reviewed several options on when to begin that process within the District and what that would look like for each while reminding board members that Governor Newsom had instructed early in the pandemic for utility agencies to work with customers and allow payment plans as needed. Board members discussed this matter extensively opting for payment letters to go out sooner than later for those wishing to incorporate a payment plan of the arrears, and not beginning service disconnects until after the holidays. Ms. Reimers also noted that Public Benefit dollars would be available for qualified low-income customers.

General Manager Michelle Reimers continued with a discussion on the implementation of livestreaming board meetings, a process which was near completion when the pandemic began at the start of the year. The November 3rd board meeting will have board members in-person but appropriately spaced in the board room. The public is not yet admitted into District facilities but can attend the board meeting via Zoom until the office is opened under the next re-entry phase. Board members will need to pass a re-entry screening required of all employees before entering District property. She also reported on a meeting she attended the previous day with staff and various state legislators.
BUSINESS OF THE BOARD

Director Fernandes reported on a meeting he attended the previous day with General Manager Michelle Reimers, External Affairs Department Manager Josh Weimer, Consultant Randy Fiorini, California State Assembly Members Adam Gray and Heath Flora, and new Agriculture Secretary, Assemblyman Robert Rivas, discussing the District and how it functions. He stated it was good discussion and encouraged by Assemblyman Rivas’ support of water needs and issues impacting irrigation districts.

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

Tami Wallenburg
Executive Secretary to the Board of Directors