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

Turlock, California
24 September 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 24th day of August 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 Santos, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of September 10, 2019.
B. Demands against the District represented by check numbers 386866 to 387330, inclusive, in the amount of $20,561,012.76.

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

PUBLIC COMMENT PERIOD

There was none.

WEEKLY UPDATES

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, 2019 to present total 0.28 inches, or 66.7 percent of normal to date (Current water year figures are reset September 1 of each year). San Francisco reservoirs contain 576,140 acre-feet and the Water Bank is at 583,735 acre-feet of credit. Don Pedro contains 1,717,470 acre-feet, with average combined releases at 1,644 cubic feet per second with 731 to TID canals, 576 cfs to Modesto Irrigation District and the remaining 337 cfs going to the river. Computed natural flow is averaging 582 cfs, and computed natural flow to date for the current water year is 2.9 million af or 156 percent of average. Turlock Lake contains 30,041 acre-feet of water. The updated weekly watershed report shows Don Pedro decreased by one feet when compared to the previous week.
Water Distribution Department Manager Mike Kavarian reviewed irrigation activity for the period of September 16-22. For this period, there were 941 orders for water. Flows ranged between 775 to 585 cfs. Total water requests by day of the week show Thursday being the highest day for orders. Average daily releases through Turlock Lake for this period were 661 cfs, or 179 cfs below projections. Mr. Kavarian reported that the last day to order water will be October 27 with the last day of delivery being October 30th. Water left in the canal system after that time can be utilized by those desiring a late irrigation.

DISCUSSION REGARDING PROPOSED BALANCING SERVICE AGREEMENT BETWEEN TID AND AVANGRID

Energy Markets Department Manager Dan Severson provided steps leading up to today’s proposed action. The District’s Tuolumne Wind Project (TWP) is located within the Bonneville Power Administration (BPA) Balancing Authority which provides operating reserves and ancillary services for the TWP. The BPA provides energy to “make whole” TWP schedules. Growth impacts stressing the system between 2005-2014 forced BPA to procure Balancing Reserves. As a result of the impacts, Avangrid Pilot began self-supplying Balancing Reserves which proved to be successful and cost effective, prompting Avangrid to establish their own Balancing Authority. Avangrid and others are now moving wind assets out of the BPA Balancing Authority. Mr. Severson provided a comparison of the current vs. new agreement terms with Integration services at approximately 25 percent lower cost. Projected cost savings would be approximately $700,000 annually, or $3.5 million over the five-year term. Board members asked several questions regarding penalty costs, geographical balancing areas, generation caps and curtailments. Hearing no further comments, the Board took the following action:

RESOLUTION NO. 2019 - 52

RESOLUTION APPROVING A PROPOSED BALANCING SERVICE AGREEMENT BETWEEN TURLOCK IRRIGATION DISTRICT AND AVANGRID RENEWABLES

WHEREAS, Turlock Irrigation District (TID) owns the Tuolumne Wind Project (TWP), located in Klickitat county, in the state of Washington; and

WHEREAS, TWP is interconnected to the Bonneville Power Authority (BPA) balancing area; and

WHEREAS, BPA provides balancing services for TWP that are subject to change every two years; and

WHEREAS, Avangrid Renewables can provide balancing services to TWP at a lower cost and longer term, while eliminating curtailment risk; and

WHEREAS, it would be beneficial for TID to enter into an agreement with Avangrid Renewables to provide balancing services for TWP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the Balancing Services Agreement between Turlock Irrigation District and
Avangrid Renewables, is hereby approved and the Assistant General Manager – Power Supply is authorized and directed to execute.

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.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Macedo, seconded by Director Frantz, that the regular meeting of the Board of Directors be adjourned to closed session:

1. Conference with Legal Counsel – Anticipated Litigation
   California Government Code Section 54956.9(d)(2)
   Anticipated litigation: two potential cases
   - Michael Clipper, Risk & Investment Analyst
   - Joe Fagundes, Legal Counsel

2. Conference with Legal Counsel – Initiation of Litigation
   California Government Code Section 54956.9(d)(4)
   Initiation of litigation: one potential case
   - Tristan Higgins, Survey/Right-of-Way Manager
   - Phil Govea, Civil Engineering Department Manager
   - Joe Fagundes, Legal Counsel

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

REPORT OF ANY ACTION TAKEN IN CLOSED SESSION

The President announced the following actions were taken in closed session:

Moved by Director Frantz, seconded by Director Macedo, that the claim of Fanelli Corporation be approved in the amount of $3,177.80.

Moved by Director Frantz, seconded by Director Macedo, that the claim of Geico Insurance be approved in the amount of $7,678.62.
PUBLIC HEARING REGARDING A PROPOSED RESOLUTION OF NECESSITY FOR THE ACQUISITION OF REAL PROPERTY

Board President Charles Fernandes opened the public hearing at 10:00 a.m. Survey Right-of-Way Manager Tristan Higgins then presented an overview of the need to acquire real property for the Raw Water Pump Facility. On August 8, 2019, an offer was made to the owner of record on the subject property, pursuant to Government Code Section 7267.2. There was no counter-proposal or willingness to negotiate received by the District. The offer amount was based on a recent appraisal conducted in July 2019. Requirements to hold eminent domain proceedings include the Board must find the proposed use is for public use and a public necessity. Section 22456 of the Water Code authorizes the Board of Directors of any irrigation district to acquire by eminent domain any property necessary to carry out any of the powers or functions of the District. The project in question is a Raw Water Pump Facility for delivery of raw water to the Stanislaus Regional Water Authority (SRWA) treatment plant adjacent to Fox Grove, therefore the taking of land does qualify as a public use. Necessity of the site has been established as the only feasible construction site for the project, and the acquisition is necessary for the project to move forward. Without the acquisition, the public project for which it is required would suffer significant delays and greatly increase public expenditure.

Landowner Gary Nazareno spoke in opposition to the acquisition. He stated that in 1997 there was flooding which caused damage to a levee on his property and was ultimately repaired by the Army Corp of Engineers and the District due to a special run project. In 2017, the levee again needed repair but the District has stated they are not responsible for the damage. Mr. Nazareno desired to negotiate the cost to repair the levee with the District’s desire to purchase a portion of his property but staff has declined to do so as they are two separate issues. He asked if today’s proposed action could be postponed so he could have more time to contact legal counsel and the Board President stated he has been properly noticed by District’s legal counsel and had ample time to have legal counsel present at today’s hearing. Director Fernandes emphasized the two issues are separate matters and that Mr. Nazareno is welcome to continue to negotiate with District staff on the levee issue since the levee is not part of the District’s Raw Water Pump Facility project. Hearing no further comments, the public hearing was closed and the Board of Directors took the following action:

RESOLUTION NO. 2019 - 53

RESOLUTION OF NECESSITY FOR ACQUISITION OF REAL PROPERTY INTERESTS FOR CONSTRUCTION OF RAW WATER PUMP STATION

WHEREAS, Section 22456 of the Water Code authorizes the Board of Directors of any irrigation district to acquire by eminent domain any property necessary to carry out any of the powers or functions of the district; and

WHEREAS, the real property interests to be taken, consisting of 0.97 acres of fee title as described in Exhibit A, and 3.269 acres of temporary construction easements as described in Exhibit B, both attached hereto and made a part hereof; and
WHEREAS, the public interest and necessity require the acquisition of said real property for the purpose of constructing a Raw Water Pump Station facility, associated facilities, and other Turlock Irrigation District (District) requirements and uses; and

WHEREAS, notice has been properly given as required by and according to the provisions of Section 1245.235 of the Code of Civil Procedure, and a public hearing has been held at which all persons whose property may be acquired by eminent domain and whose name and address appear on the last equalized county assessment roll had been given a reasonable opportunity to appear and to be heard by the Board of Directors described in Exhibit C, on the matters set forth in the Code of Civil Procedure, Section 1240.030; and

WHEREAS, a two-thirds vote of all of the members of the Board of Directors is required for the adoption hereof.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the following findings are made:

1. That the public interest and necessity require the acquisition of the real property interests described in Exhibits A and B, attached hereto and incorporated by reference, for the purpose of constructing a raw water pump station, associated facilities, and other District requirements and uses.

2. That the property to be acquired and the project to be developed are planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

3. That the property sought to be acquired is necessary for the proposed project and that said property is being taken for public use.

4. That the offer required by Section 7267.2 of the Government Code has been made to the owners of record.

BE IT FURTHER RESOLVED, that the law firm of Malm Fagundes LLC, as counsel for the District, is hereby authorized and directed to institute and conduct to the conclusion, actions in eminent domain in the Superior Court of the State of California for the acquisition of the described interests in real property and to take such action as is necessary to accomplish the same upon direction of the Board of Directors and authorized managers of the District.

BE IT FURTHER RESOLVED, that the public interest and necessity require timely completion of the project and that the law firm of Malm Fagundes LLC, as counsel for the District, is also hereby authorized to obtain an Order for Prejudgment Possession and the use of the property upon complying with the requirements of the law applicable thereto, and the total sum of probable compensation being deposited into court for acquiring immediate possession as provided by law.

BE IT FURTHER RESOLVED that the District is directed to draw all necessary warrants payable to the State Treasury specified in the written summary of just compensation prepared in accordance with the Code of Civil Procedure, Section 1255.010, et seq.
Moved by Director Frantz, 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.

GENERAL MANAGER’S REPORT

General Manager Casey Hashimoto reported

BUSINESS OF THE BOARD

Director Macedo reported on his attendance as District representative at the September 13th Don Pedro Board of Control Meeting. They reviewed the 2020 Don Pedro Operating Budget which will include a new chlorinated facility for the swimming pond. He also noted a proposed rate increase by current concessionaire Suntex. Construction on the new Visitor’s Center will begin in early spring of 2020.

Director Alamo reported there will be a special meeting of the West Turlock Subbasin GSA on Thursday, September 26th to authorize a grant funding application.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Frantz, seconded by Director Santos, that the regular meeting of the Board of Directors be adjourned to closed session:

1. Conference with Legal Counsel – Existing Litigation
   California Government Code Section 54956.9(d)(1)
   Case Name: TID Petition for Change Involving Long-Term Water Transfer, Point of Rediversion, and Purpose of Use Transfer under License 11058 (Application 14127) before the State Water Resources Control Board
   - Tou Her, AGM Water Resources
   - Andy Hitchings, Special Counsel

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

REPORT OF ANY ACTION TAKEN IN CLOSED SESSION

The President announced no reportable action was taken in closed session.
MOTION TO ADJOURN

Moved by Director Santos, 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