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

Turlock, California
4 December 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 4th day of December 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 Santos, seconded by Director Frantz, that the consent calendar consisting of the following be approved:

A. Minutes of the regular meeting of November 20, 2018.
B. Demands against the District represented by check numbers 378989 to 379344, inclusive, in the amount of $8,366,478.20.

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

PUBLIC COMMENT PERIOD

There was none.

WEEKLY UPDATES

Energy Trader Wes Kellison reviewed operations for the week of November 23-29. The daily system peak, including partial required sales, reached 323.8 megawatts on November 27. The load was met with TID hydro, thermal generation, short and long-term firm, renewables and spot purchases. Total renewables of TID retail energy sales plus losses were at 16 percent. The Tuolumne Wind Project (TWP) generated 2,778 MWh’s during this time period at the Willis Substation, averaging at 11 percent of capacity. Natural gas prices at Pacific Gas & Electric Company’s Citygate increased the last couple of days to almost $7.00/mmBTU. Electric operations for this period show Walnut Energy Center was online for four days with only half of WEC online for three days; Boardman returned to service on November 25; Almond ran three days for operations; Don Pedro Unit 1 ran to meet river requirements, Unit 2 will be out of service until December 21, Unit 3 was available and Unit 4 is out of service until further notice. Mr. Kellison noted that the Parker Substation was down for the month so WEC would stay online the next couple of days. Boardman will no longer be utilized after December 31. Director Frantz asked for clarification on the increase in natural gas prices and Mr. Kellison responded stating the increase
began after the October outage. Prices went down slightly and then steadily increased since that time. He stated the gas provider informed staff storage has been down with limited supply.

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 8.76 inches, or 119.8 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). Snow sensors used in the Tuolumne River forecast show 23.7 percent of average since April 1 or 128 percent average to date. San Francisco reservoirs contain 487,854 acre-feet and the Water Bank is at 570,000 acre-feet of credit. Don Pedro contains 1,408,463 acre-feet. Average combined releases are at 212 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 1,352 cfs. Turlock Lake contains 29,436 acre-feet of water. Ms. Cramer also provided a water operation update regarding the Scripps Institute. They are the leading organization in Atmospheric River Research and their products are currently utilized in District forecasted operations. The previous week the District and other agencies met with Scripps to kick off a joint effort to get consistent allocation of funds for Scripps by the California legislature. Funds would enhance long-range forecasts of Atmospheric Rivers and also provide downscaled forecasts for input onto the District’s hydrologic models. Government Affairs Manager Josh Weimer is working with a coalition of water agencies and the Scripps Institution of Oceanography to attain this goal.

TID Student Intern Evan Schulze presented information pertaining to the cloud seeding analysis. In order to understand the methodology behind Statistical Inference, the data must be checked for a normal distribution, which is an arrangement of a data set in which most values cluster in the middle of the range. The rest taper off symmetrically toward either extreme. He then reviewed several graphs including Tuolumne’s density plot compared to a normal distribution. He also reviewed a Normal Q-Q Plot to validate normality. This plot compares the District’s data values to those observed in a standard normal distribution. When comparing the new and old average runoff values, there was clearly some difference. The results show Tuolumne at -2.28%, Merced at -3.47% and Stanislaus at -7.86%, with a net gain on the Tuolumne at roughly 5.58%. Another method utilized by the District is Difference in Differences, or DID, which is typically used to estimate the effect of a specific intervention or treatment. This is done by comparing the changes to outcomes over time between an intervention group and a control group. In conclusion, while the effects of cloud seeding are not statistically significant according to these tests, there is still an observable increase in total runoff. In order for these tests to be significant, it would take several more decades of data or far less variation in runoff.

MOTION ADJOURNING FOR A MEETING OF THE WALNUT ENERGY CENTER AUTHORITY

Moved by Director Macedo, seconded by Director Frantz, that the regular meeting be adjourned for a meeting of the Walnut Energy Center Authority.

All voted in favor with none opposed. The President declared the motion carried.
RECONVENE– TID BOARD MEETING

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:33 a.m. with all officers present as per the previous session.

MOTION ADJOURNING FOR A MEETING OF THE TUOLUMNE WIND PROJECT AUTHORITY

Moved by Director Macedo, seconded by Director Santos, that the regular meeting be adjourned for a meeting of the Tuolumne Wind Project Authority.

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

RECONVENE– TID BOARD MEETING

The regular meeting of the Board of Directors of the Turlock Irrigation District was reconvened at 9:44 a.m. with all officers present as per the previous session.

RESOLUTION NO. 2018 - 62

RESOLUTION ADOPTING THE TURLOCK IRRIGATION DISTRICT'S INTEGRATED RESOURCE PLAN 2018-2030 AND UPDATE SCHEDULE

WHEREAS, existing law requires the governing board of certain publicly owned utilities to adopt an integrated resource plan (‘IRP’) and a process for updating the IRP at least once every five years on or before January 1, 2019; and

WHEREAS, existing law requires the adopted IRP achieve the requirements of California Public Utility Code 9621(b) (‘9621’); and

WHEREAS, Turlock Irrigation District’s (‘TID’) integrated resource plans to achieve reliable low cost electric service (‘TID IRP Goals’); and

WHEREAS, the TID IRP Goals are consistent with and achieve the requirements of 9621; and

WHEREAS, on November 20, 2018 staff discussed with the Board and the public TID’s Integrated Resource Plan 2018-2030 (‘TID 2019 IRP’); and

WHEREAS, the TID 2019 IRP meets TID’s IRP Goals and are consistent with and achieve the requirements of 9621.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Directors of the Turlock Irrigation District that the TID 2019 IRP is adopted and that an updated IRP be presented to the Board of Directors for approval every five years.

Moved by Director Alamo, 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.

**DISCUSSION REGARDING THE PROPOSED COMMON USE AGREEMENT BETWEEN TID AND STANISLAUS COUNTY**

Survey Right-of-Way Manager Tristan Higgins reviewed the proposed agreement consenting to common use for a portion of the District’s Lateral No.1 to accommodate proposed intersection widening and improvement at Whitmore Avenue and Carpenter Road in Modesto. He noted that if approved by both agencies, Stanislaus County would incur all expenses for the improvements including the installation of a box culvert. Director Macedo asked how many common use agreements are currently in place in which Mr. Higgins stated approximately 80. Hearing no further comments, the following action was taken:

**RESOLUTION NO. 2018 - 63**

**RESOLUTION APPROVING AGREEMENT CONSENTING TO COMMON USE BETWEEN THE TURLOCK IRRIGATION DISTRICT AND STANISLAUS COUNTY**

WHEREAS, the Turlock Irrigation District are the owners of that certain canal right of way known as Lateral 1, as described in Deed recorded in Book 311 of Stanislaus County Official Records on Page 103, and in Order of Condemnation recorded in Book 382 of Stanislaus County Official Records on Page 33; and

WHEREAS, Stanislaus County has requested that the Turlock Irrigation District and Stanislaus County enter into an Agreement Consenting to Common Use for a portion of the Turlock Irrigation District’s Lateral No. 1, to accommodate proposed intersection widening and improvements by Stanislaus County at Whitmore Avenue and Carpenter Road; and

WHEREAS, the proposed intersection widening and improvements shall not interfere with the rights or responsibilities of the District and shall be to the benefit of the public.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the Agreement Consenting to Common Use between the Turlock Irrigation District and Stanislaus County for a portion of the Turlock Irrigation District’s Lateral No. 1 is hereby approved, and the President and Secretary are hereby authorized and directed to execute the same on behalf of the District, and the Survey/Right of Way Manager is hereby directed to cause the same to be presented to the Stanislaus County Board of Supervisors for the approval of, and execution by, that body.

Moved by Director Frantz, seconded by Director Santos, that the foregoing resolution be approved.
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 DECEMBER 11, 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 December 11, 2018, be canceled.

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

RESOLUTION NO. 2018 - 64

RESOLUTION DELEGATING AUTHORITY TO APPROVE PAYMENT OF TURLOCK IRRIGATION DISTRICT WARRANTS FROM DECEMBER 5 THROUGH DECEMBER 11, 2018

WHEREAS, because the Board of Directors will not hold its regular meeting on December 11, 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 December 5 through December 11, 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 18, 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.

**2019 BUDGET REVIEW FOR THE WATER RESOURCES AND FINANCIAL SERVICES ADMINISTRATIONS AND MISCELLANEOUS RATES AND FEES**

AGM Water Resources Tou Her reviewed the proposed 2019 budget for the Water Resources Administration. Allocations for 2019 will be 125 full time employees, a reduction of 9 full time positions due in part to the transfer of classifications to the Financial Services Administration, and Safety and Compliance now reporting to Water Resources. The capital budget is proposed at $6.1 million with large expenditure items being Irrigation Capital at $2.1 million, the Domestic Water project at $1.4 million, and $700,000 for the rebuild of the Don Pedro Visitors Center. The proposed Operations and Maintenance budget totals $20.5 million, up slightly by 5.8 percent when compared to 2018. A couple of board members expressed concern regarding the amount of overtime needed when a water distribution operator is unable to cover their regular shift or is needed in other areas. Some felt the procedure in place constitutes a high amount of overtime that could possibly be reduced and directed staff to look into more efficient methods. Director Santos also asked whether there has been a meeting set up with the new Mayor of Turlock and General Manager Casey Hashimoto stated they would be meeting on December 14.

CFO/AGM Financial Services Brian Stubbert reviewed the proposed budget for the Financial Services Administration. Allocations for 2019 will be 62 full time employees, an increase of 16 full time positions due to the transfer of Fleet department employees to the Financial Services Administration and the creation of a new Rates & Risk Department. The capital budget is proposed at $10.9 million with large expenditures items being $7.9 million for the Customer Information System Replacement Project, $1.1 million for replacement vehicles, $850,000 related to network infrastructure and $590,000 for equipment replacement due to CARB requirements. The proposed Operations and Maintenance budget totals $13.4 million, up by 7.6 percent when compared to 2018.

Finance Manager Jesse Kirschner reviewed proposed miscellaneous rates and fees for 2019. Damaged meter charges will remain the same as 2018 and Hourly Work Billed to Others (WBO) rates have been adjusted to reflect current wages and benefits for 2019. Through October 31, there have been 186 WBO events. WBO rates are external charges for damages to District property and work performed for private parties, including public agencies. The District equipment rates will remain the same for transportation and facilities. Materials and Service Schedule of Charges have been updated to reflect current inventory prices based on weighted average and the Schedule of Charges will be adjusted to reflect an upcoming Electric Vehicle rate.

**GENERAL MANAGERS REPORT**

General Manager Casey Hashimoto updated the Board on the cost to add video recording capabilities to the conference room where board workshops are normally held. He stated the estimate was approximately $35,000 and asked the board for direction on how they would like to
proceed. Directors Santos and Alamo stated they preferred remaining in the board room for workshops since the audio/video components are already in place and also creates a more open and transparent setting for the public to attend. Director Fernandes commented that the topic of increasing public attendance came up in previous years so a couple of night meetings were implemented with no increase in public attendance. Director Frantz stated workshops are normally more interactive than what takes place in the board room but indicated no preference. Mr. Hashimoto stated he would schedule the next workshop to be conducted in the board room.

Mr. Hashimoto wished to respond to comments made by a member of the public during a previous board meeting regarding the hiring of the Districts Legislative Analyst. He stated it was alleged the position was created specifically for the person currently in the position and that was simply untrue. He went on to say the District created a Government Affairs Managerial position as well as a Regulatory Analyst position many years ago but eventually the Government Affairs Manager position became vacant and was left unfilled. In 2014, the current Regulatory Analyst was relocated to a different administration which left a vacancy in the General Manager’s administration and the District opted to maximize the opportunity to add a position which focused on the legislative side of state and federal issues potentially impacting the District. The Compensation Committee members met and approved the creation of a Legislative Analyst position which was later approved by the Board during a public meeting and placed on the appropriate salary scale. The recruitment was then opened to the public with 51 applicants responding. After initial testing, the final candidates were then interviewed by a panel of managers from other administrations within the District with the final applicant also being interviewed by Mr. Hashimoto. He stated he wanted to clarify how the position came about to dispel the inaccurate information conveyed during public comment.

General Manager Casey Hashimoto also reported on his recent attendance at the ACWA Fall Conference in San Diego. He also noted that the District’s AGM of Power Supply, Brad Koehn, participated on a panel discussion regarding life after SB 100 and did a good job of representing the District from a public power perspective.

BUSINESS OF THE BOARD

Director Macedo reported on his attendance at the ACWA Fall Conference in San Diego.

MOTION TO ADJOURN TO CLOSED SESSION

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

1. Conference with Legal Counsel – Anticipated Litigation
   California Government Code Section 54956.9(d)
   Anticipated Litigation – one potential case
   - Art Godwin, 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 no reportable action was taken in closed session.
MOTION TO ADJOURN

Moved by Director Alamo, 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