



TURLOCK IRRIGATION DISTRICT Strategic Plan 2020-2025



We are TID.

This is more than a slogan – it is our promise that as a community-owned utility, the well-being of our employees and customers is at the forefront of every decision we make. It is a commitment to be good stewards of the resources we deliver, maintain transparency, and to deliver on innovation as we provide the safe, reliable and affordable essential services of water and power to our region. "We Are TID" speaks to who we are as a community, through the integrity of our employees and the collective support and trust from our customers as we move forward, together.

Since 1887, Turlock Irrigation District has remained dedicated to making a positive impact in our community. Even in times of change and uncertainty we must be bold and implement strategies that will serve our customers and employees into the future. We are up to the challenge. Our comprehensive Strategic Plan will create stability and provide direction while inspiring advancement and allowing the flexibility required to respond to unknown hurdles, as we move forward toward accomplishing our collective goals.

The 2020-2025 Strategic Plan will build on our past success while looking forward to the evolving needs of the District. To ensure our commitment to operational excellence and a customer-first mindset



the Strategic Plan will focus on six key priorities:

- Water and Electric Supply and Distribution
- Finance and Rates
- Workforce
- Customer Service and Community Relations
- Safety
- Technology

The District will pursue these strategic priorities with a cohesive vision and a tactical action plan. It is imperative that we have a common focus to lead our decision making and allow us to demonstrate progress to our customer-owners, as we advance our priorities over the next five years.

To our customers, State and Federal representatives and community, thank you for your enduring trust. Together, Turlock Irrigation District will continue to advance through thoughtful innovation, transparency and our unwavering commitment to the community we serve. Together, We Are TID.

Tekimers

Michelle Reimers General Manager



MISSION

TID will provide reliable and competitively priced water and electric service, while being good stewards of our resources and providing a high level of customer satisfaction.

VISION

TID's reputation will be as a trusted partner, innovative leader, and model of sustainability in enhancing the quality of life for our community, through embracing our core values at every level of our organization.



RELIABILITY. TID plans, builds and maintains its water and electric systems to reliably serve its customers.



AFFORDABILITY. TID provides stable, competitive rates for its customers.



STEWARDSHIP. TID provides leadership by sustainably managing the resources entrusted to us.



SAFETY. TID ensures a safe environment for employees and customers.



QUALITY WORKFORCE. TID attracts and retains highly-skilled and experienced team members.



CUSTOMER FOCUS. TID is committed to building strong and lasting relationships with our customers and community through engagement, transparency, accountability and trust.



LOCAL CONTROL. Decisions made by local people to address local needs are essential to TID's continued success.



VISIONARY. TID proactively balances near-term decision making with the long-term well-being of its customers.



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STRENGTHS

- TID is a trusted community partner since 1887
- Senior water right holder
- Vertically integrated utility with diverse generation assets
- Highly-skilled, experienced team members

- Reliable irrigation water
 and electric service
- Competitive rates
- Community owned with local control
- High customer trust and satisfaction

WEAKNESSES

- Transfer of knowledge due to retiring workforce
- High debt levels
- Lack of comprehensive technology
- Aging infrastructure
- Slow to change

OPPORTUNITIES

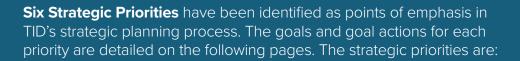
- Identify new revenue sources
- Increase efficiencies in business processes
- Become an active partner regarding customer upgrades in water and power
- Collaborate with others to achieve regional sustainability
- Increase public awareness about TID

- Pursue diversified water and energy supplies
- Utilize technology to enhance the customer experience
- Optimize assets

THREATS

- Market disruptions and increased competition
- Impact of climate change
- Physical and cyber security
- Legislative and regulatory uncertainty

- Speed of technology changes
- Changing customer expectations
- Potential loss of customer relationship
- Economic downturns





Water and Electric Supply and Distribution

The water and electric infrastructure that TID has developed over decades is a key reason why TID has been able to provide reliable services at affordable rates. TID will work to maintain and enhance its water and electric resources and customer distribution systems in a sustainable manner.



Finance and Rates

Financial stability is an important strategic element as it enables the possibility for the other strategic priorities to be pursued and achieved. TID will continue to provide value to customers through financial stability and with competitive and affordable rates.



Workforce

TID's workforce is an essential component to successful operations that benefit customers. It is critical that TID maintain a customer-focused, innovative, skilled and engaged workforce.



Customer Service and Community Relations

Improvements to the services TID provides to customers and the means in which those services are provided will lead to a higher level of recognition as a trusted community partner. TID will earn customer trust by continuing to partner with and participate in the local community and by providing quality customer care and service in a responsive and professional manner.



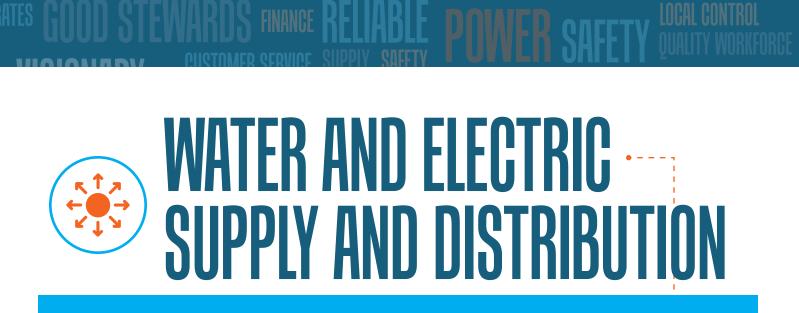
Safety

The safety and security of our customers and workforce is a top priority. TID will make certain this priority is top of mind through proper planning and training so that our actions ensure the safety of our employees, customers and the community.



Technology

TID must embrace viable technology to further enhance internal operations and improve customer engagement. TID's efforts will use innovative technologies to maximize customer benefits and guide operational decisions.



The water and electric infrastructure that TID has developed over decades is a key reason why TID has been able to provide reliable services at affordable rates. TID will work to maintain and enhance its water and electric resources and customer distribution systems in a sustainable manner.

Four business goals have been identified to best advance this priority:

GOAL ONE

Optimize Water and Power Assets to Increase Reliability and/or Decrease Costs

Continuing to identify the most sustainable, reliable and cost-effective supply and distribution models remains a priority for TID. The District will utilize existing water and power assets to their maximum potential at the best economic value.

Goal One Actions:

- Optimization of transmission assets to support system load forecasting, anticipation of technology trends and awareness of increasingly-refined customer service needs
- Implement a work management system to improve business efficiencies
- Pilot Smart Grid projects to further enhance the electrical system to better serve customers
- Assess opportunities to join organized markets as an alternative to bi-lateral and intertie trading to better leverage TID power and transmission assets
- Evaluate portfolio optimization tools that will enable the District to maximize generation and transmission assets around power, natural gas, and ancillary service markets
- Assess modifications to thermal fleet to increase the operational flexibility range and efficiency

• Prioritize capital projects by the ability to mitigate operating constraints

GOAL TWO

Manage, Maintain, or Replace Water and Power Assets in the Most Cost Effective Manner

With TID's deep-rooted history comes the need to evaluate and update its treasured resources and structures. TID will evaluate and seek opportunities to extend the life of our existing water and power assets at the best economic value.

Goal Two Actions:

- Complete Don Pedro Life Extension Project to increase capacity and efficiency
- Assessment of Walnut Power Plants to determine next steps to ensure the District is managing its facilities in the most cost effective manner
- Develop long term plan for small hydroelectric plants
- Develop long term plan for Tuolumne Wind Project factoring in state energy policies and trends in the wind industry
- Maintain the electric distribution System Average Interruption Duration Index (SAIDI) of 75 minutes over a five-year rolling average

RATES GOOD STEWARDS FINANCE RELIABLE POWER SAFETY LOCAL CONTROL QUALITY WORKFORCE

- Replace Microwave System and install a new network to accommodate TID's present and future communication needs
- Automation of TID's Main and Ceres Main Canals to maximize current water supply and improve efficiency and water conservation

GOAL THREE

Implement Additional Water and Power Storage Projects to Increase Reliability, Improve Water Quality, and/or Decrease Costs

Innovation will provide new opportunities for TID to optimize capacity, improve water quality and expand its water and power supply to better serve TID customers at the lowest feasible cost.

Goal Three Actions:

- Fully utilize operating capacity of Turlock Lake
- Assess the ability to implement a Turlock Lake
 Groundwater Recharge and Storage Program
- Identify, assess, and prioritize the feasibility of water resource augmentation projects
- Construct a regulating reservoir on the Ceres Main Canal to provide enhanced operational efficiencies as well as improve water quality
- Implement a Pilot Battery Storage Project to maximize the opportunity to arbitrage abundant renewable energy

GOAL FOUR

Proactively Leverage Regulatory, Legislative, and Technological Opportunities to Best Serve Our Community Through Intentional Collaboration

Legislative and regulatory pressures at the state and federal level have direct impacts upon TID's operations. By seeking out opportunities to engage with legislators as well as our customers, our community, and our associations, TID has the ability to leverage these pressures to benefit our community. TID will actively seek out new opportunities to collaborate with partners to advocate for our community and the resources entrusted to us.

Goal Four Actions:

- Create an internal government committee to maximize the Districts' influence and expertise in state and federal topics
- Actively pursue legislative and regulatory measures to realize the full value of the Don Pedro Project
- Collaborate with partners to implement habitat improvements along the Tuolumne River to enhance its natural ecosystem
- Assess demand response, community solar, and early action on the procurement of renewable energy to leverage technology to meet and exceed regulatory requirements while considering the community benefits of access to clean energy
- Seek legislative and regulatory opportunities to minimize the financial and operational impact due to wildfire mitigation requirements
- Leverage industry associations to engage and collaborate with relevant associations and advocates to ensure TID has representation as a trusted and known advocate of key issues

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FINANCE AND RATES ------

Financial stability is an important strategic element as it enables the possibility for the other strategic priorities to be pursued and achieved. TID will continue to provide value to customers through financial stability and with competitive and affordable rates.

Three business goals have been identified to best advance this priority:

GOAL ONE

Enhance the Financial Health of the District

A sound financial plan is essential to TID's ability to provide competitive rates to customers and support the multi-faceted infrastructure of TID's operations. TID will assess reserve levels, debt levels and debt covenant ratio to maintain high bond ratings to not only allow TID to lower borrowing costs, but also demonstrates the financial health of the District.

Goal One Actions:

- Maintain key financial metrics, including but not limited to debt level, liquidity level, debt covenant ratio
- Actively meet with rating agencies to educate them about TID
- Update the Risk Management Policy to ensure modern risk metrics are met
- Reduce bond principal to <\$875MM while maintaining key financial metrics
- Reduce bond principal to <\$800MM while maintaining key financial metrics
- Maintain healthy bond ratings

GOAL TWO

Enhance Financial Reporting

TID is committed to continually strengthening and reinforcing its transparent financial reporting practices to ensure they are reaching its operational objectives. Enhanced financial reporting will help the Board in making informed decisions, as well as offer customers a better understanding of the financial health of the District.

Goal Two Actions:

- Provide quarterly financial reporting to the Board (Operations and Maintenance and Capital Projects)
- Implement an Enterprise Risk Management Program to assess, identify and mitigate potential risks that will support the decision making and resource allocation at both the operational and strategic levels
- Develop and continually update the 20 Year Financial Plan to ensure ongoing evaluation of cash levels, debt levels and capital needs while meeting bond covenants and maintaining favorable rating agency ratings
- Implement an Enterprise Resource Planning (ERP) System to improve business efficiencies at the District

GOAL THREE

Maintain Competitive Rates with Peer Groups

TID pledges to maintain competitive, affordable rates for all customer groups, comparable to similar utilities. The pursuit of this goal will help attract new business to the area, further strengthening the communities we serve.

Goal Three Actions:

- Perform annual electric rate analysis to compare TID electric customers' rates to peer utilities
- Perform annual water rates analysis to compare TID irrigation customers' rates to peer utilities
- Evaluate the need for a rate structure assessment in 2024

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TID's workforce is an essential component to successful operations that benefit customers. It is critical that TID maintain a customer-focused, innovative, skilled and engaged workforce.

Two business goals have been identified to best advance this priority:

GOAL ONE

Attract, Develop, and Retain a Highly Skilled Workforce

TID employees are at the core of what makes the District successful. It is essential to foster and maintain a high performing and highly engaged workforce.

Goal One Actions:

- Develop a Manager Training Program to support the advancement of each manager's capabilities
- Expand the Employee Wellness Program to engage employees and increase participation to promote employee health
- Improve recruiting and hiring practices to ensure the District is attracting and hiring highly qualified applicants using consistent processes and procedures
- Measure and improve employee engagement to support the retention of talented team members
- Develop a Leadership Training Program to support the development of emerging leaders
- Improve the employee evaluation process with a new Human Resources Information System (HRIS)
- Implement the Employee Development and Retention Program to support the development and engagement of employees
- Implement a formal succession planning process with a new HRIS System
- Implement an on-boarding and off-boarding process with a new HRIS System

Develop talent pipeline through intentional collaboration with universities, trade schools and outreach to K-12 regarding essential skills needed to succeed at TID

GOAL TWO

Enhance Human Resources Processes, Procedures, and Systems

TID will evaluate its current processes and implement new strategies that will enhance system efficiencies to allow Human Resources to better serve its workforce and improve productivity District-wide.

Goal Two Actions:

- Evaluate and update job descriptions for consistency, to remain competitive and attract top talent
- Implement a Human Resources Information System that will support all of the District's technical and organization needs to meet short and long term workforce objectives
- Develop procedure manuals and quick reference guides to standardize District processes



Improvements to the services TID provides to customers and the means in which those services are provided will lead to a higher level of recognition as a trusted community partner. TID will earn customer trust by continuing to partner with and participate in the local community and by providing quality customer care and service in a responsive and professional manner.

Six business goals have been identified to best advance this priority:

GOAL ONE

Achieve Recognition for Transparency in TID's Operations and Governance

While open government and transparent initiatives have been increased at the District, additional measures will be taken to make these efforts more apparent to TID customers. TID aspires to have these initiatives noticed by customers and recognized at the local, state and federal levels.

Goal One Actions:

- Obtain the Government Finance Officers
 Association's Distinguished Budget Certification
 Award
- Obtain the Government Finance Officers Association's Certificate for Achievement for Financial Reporting Award
- Obtain the Association of Public Treasurers of the US and Canada Investment Policy Certification
- Obtain the Association of Public Treasurers of the US and Canada Debt Policy Certification
- Obtain the California Special Districts Association
 "District Transparency Certificate of Excellence"
- Pursue the California Special Districts Association "District of Distinction"
- Implement a virtual, live-streaming, interactive option for TID Board meetings and workshops

GOAL TWO

Institute Assistance Programs that Address the Diverse Needs of TID Customers

TID is committed to enhancing the relevant programmatic support it provides to customers. TID will continue to evaluate the needs of its community and expand methods to ensure far-reaching awareness of its assistance programs.

Goal Two Actions:

- Identify participation baseline through researching the needs of TID customers to develop additional relevant programs and to expand participation in TID's assistance programs
- Develop a census report for TID's service area and utilize the data to create targeted outreach to increase awareness of the assistance programs TID provides for its customers

GOAL THREE

Increase Public Awareness of the Core Services TID Provides as a Community-Owned Utility

TID strives to be seen as a valued service provider, not just a bill. It is incumbent upon the District to talk to the community about the value of public power at a personal level that leaves a positive lasting impression

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and informs customers of the benefits of local decision making and operations.

Goal Three Actions:

- Increase customer awareness that TID is community-owned through a robust communication plan that includes social media, publications, advertising and community engagement programs
- Receive local and national recognition by obtaining industry-specific awards
- Create an outreach campaign around the value of the Don Pedro Project
- Increase intentional internal communication efforts to promote team member engagement and education of the value of TID's operations and contributions to its customers and community
- Evaluate and implement innovative communications mediums to keep the community up-to-date with the latest happenings at TID
- Implement a Customer Academy Program to build a diverse network of leaders and advocates who are willing to share their acquired knowledge in the community and serve as advocates for water and power

GOAL FOUR

Increase Outreach, Expand Collaboration and Enhance Partnerships with Customers, the Community and Associations

An increased effort will be made to find new partners and work together on mutually beneficial projects that support TID customers and elevate the services provided. This effort will be increasingly visible to the community, understanding that we have the ability to achieve more together.

Goal Four Actions:

- Track customer and community engagement opportunities to increase outreach, collaboration and partnerships with customers and our community
- Develop a Customer Account Management Plan with the intent to understand TID customer business needs, identify opportunities and create valued relationships
- Launch an Education Program to serve as a resource to community educators and youth in TID's service area

- Cultivate intentional partnerships with community agencies to connect TID customers to relevant community resources
- Optimize systems utilizing existing partnerships and cultivating new opportunities to advance TID operations

GOAL FIVE

Increase Customer Participation in all TID Energy Programs

Programs advance through awareness and engagement. TID will research and identify energy programs relevant to our customers and strategically market those programs to increase participation.

Goal Five Actions:

- Establish and increase rebate participation baseline to support the needs of the District's customers
- Develop industry specific rebates to accommodate technological advances and develop increments for improvements
- Engage in research development and pilot demonstration projects to test industry trends

GOAL SIX

Expand TID's Customer Satisfaction Program

TID has developed a Customer Satisfaction Program to track customer awareness of and satisfaction with TID for the purpose of identifying opportunities for improvement. Building on the current program, TID will develop new methods to track customer satisfaction and solicit immediate feedback to improve TID processes and efficiencies.

Goal Six Actions:

- Develop a service-oriented customer feedback model for Water and Electric customer accounts
- Establish time-of-service customer satisfaction baseline and develop increments for improvements
- Identify gaps in existing data or information needed for program development and use to build out multi-year plan for customer research





The safety and security of our customers and workforce is a top priority. TID will make certain this priority is top of mind through proper planning and training so that our actions ensure the safety of our employees, customers and the community.

Two business goals have been identified to best advance this priority:

GOAL ONE

Promote a Safety First Culture

TID is an advocate of the health and safety of those throughout the District. TID will promote a safety first work environment through collaborative training programs.

Goal One Actions:

- Develop and implement a comprehensive District wide safety program
- Develop an Injury and Illness Prevention Program (IIPP) training and compliance program
- Obtain industry safety awards through the ongoing implementation of industry safety standards and by continually improving the District's Safety Program and positively impacting the workplace culture
- Perform a health and safety gap analysis that will provide the District with a road map to developing a successful culture of safety
- Lower number of lost time injuries

GOAL TWO

Maintain a Comprehensive Emergency Management Program

Emergency preparedness is essential to the wellbeing of TID and the services it provides. A comprehensive Emergency Management Program will support all emergency management functions to mitigate, prepare for, respond to and recover from emergencies and disasters impacting the District.

Goal Two Actions:

- Enhance the Comprehensive Emergency Management Program that will provide guidance, training and outline procedures for all emergency management functions
- Implement an Incident Command System Training Program for all employees
- Develop Incident Action Plans in accordance with the Comprehensive Emergency Management Program
- Implement an Incident Action Plan Training Program

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TID must embrace viable technology to further enhance internal operations and improve customer engagement. TID's efforts will use innovative technologies to maximize customer benefits and guide operational decisions.

Three business goals have been identified to best advance this priority:

GOAL ONE

Enhance the Customer Experience using Emerging Technologies

Advancements in technology improves workflow processes that can enhance the customer experience. TID will implement easy to use systems that give customers the ability to access information and make requests of the District in a convenient and efficient manner.

Goal One Actions:

- Implement a customer self-service system that allows electric customers to more efficiently interact with TID team members through enhanced technology
- Replace the existing billing system to provide irrigation customers an improved experience through technological enhancement
- Enhance the online water ordering system to provide growers access to real-time data and provide benefits from system improvements
- Enhance the water scheduling system to an automated scheduling process, further advancing TID's internal efficiencies
- Implement an electrical outage management system to continue to enhance internal efficiencies and improve customer service efforts

GOAL TWO

Develop Data Analytics for Data Driven Decision Making

Enhanced collection of data from TID systems will allow staff to use better quality data for analysis and decision making.

Goal Two Actions:

- Replace the current energy management system in preparation of the implementation of the Energy Imbalance Market module
- Enhance the distribution automation wireless system expansion to wirelessly connect to remote distribution equipment for purpose of control and data acquisition
- Implement Oracle utility analytics to further leverage technology that supports a proactive evaluation of accounts and will improve internal processes
- Provide TID staff streamlined access to electrical customer data for analysis and decision making through the newly implemented data warehouse system
- Develop a comprehensive District Geographic Information System which is critical to support the design of new facilities and operation of existing facilities
- Enhance the ability to adaptively manage water by leveraging new technologies

GOAL THREE

Develop a Technology Roadmap

A Technology Plan, developed across the District, will consist of short-term and long-term goals that support TID's strategic plan.

Goal Three Actions:

- Develop a District Smart Grid Plan that will guide the way TID plans and implements new technology for water and electrical services
- Perform a technology assessment and implement a technology roadmap for both short-term and long-term direction of TID systems



BOARD OF DIRECTORS



Division 1 Michael Frantz



Division 2 Charles Fernandes



Division 3 Joe Alamo



Division 4 Rob Santos



Division 5 Ron Macedo

MANAGEMENT TEAM

Michelle Reimers General Manager; CEO

Brad Koehn Chief Operating Officer

Brian Stubbert Assistant General Manager Financial Services; CFO

Tou Her Assistant General Manager Water Resources

Manjot Gill Assistant General Manager Electrical Engineering & Operations

> **Dan Severson** Assistant General Manager Power Supply



Number of Employees

662 SQUARE MILES Electric Service Area

307 SQUARE MILES

Irrigation Service Area

102,330 Electric Accounts

4,679 Grower Accounts





333 E Canal Dr • Turlock, CA 95380 209.883.8300 • www.tid.org