

ANNUAL REPORT

2021



WATER & POWER
Serving Central California since 1887

TID 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.

Core Values

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.



WATER & POWER

Serving Central California since 1887

CUSTOMER FOCUS

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

QUALITY WORKFORCE

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

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.

A Message from the General Manager

Community can be defined as a group of people, a society, within a given geographic area. For TID *community* encompasses so much more than the physical space we occupy. At TID, our community is made up of our customer-owners. Our community is our top priority. Our community is why we exist.

As a community-owned utility, we make decisions that are guided by the needs and wants of our customers. From District investments like power line restrings to substation projects to ensure the reliability of our power supply, to continually advocating for local control of the resources we steward, such as the Tuolumne River, to maintain the necessary water supply to our growers, TID remains focused on providing for our community.

The 2021 Annual Report highlights local control at its best. Due to TID's stewardship of the Tuolumne River through the use of forecasting tools, our Board was able to make informed, thoughtful decisions for the 2021 water year, which ended as the 6th driest on record since 1897. Our growers benefit from the proactive, data-driven decisions taking place at TID. Another example of the advantages of a community-owned utility came in the summer months when the State experienced excessive heat. TID customers benefited from our position as a balancing authority and our participation in the Energy Imbalance Market. As such we were able to secure power for our customers and minimize the impact to the State's power grid.

In a fast-paced, ever-changing environment, TID has not let up on exploring and implementing innovative technology in support of our operations and offerings to our customers, and we are proud to be recognized nationally for our local accomplishments.

We continue to work through our five-year Strategic Plan and the priorities it outlines. The 2021 Annual Report provides a year in review and an opportunity to look ahead to projects on the horizon. We aim to apply a bold, yet tactical, approach to advance the District in initiatives that will provide real-time benefits and support our customers for generations to come.

I continue to be energized by the hardworking team members who are committed to keeping the District moving forward to best serve our community. Together, We Are TID.

Michelle Reimers
General Manager



Perseverance in Dry Times

6th

driest year since 1897

4th

driest two-year period

32.4%

of average full natural flow (October - September)

51.5%

of precipitation compared to average year (September - August)

34

inches available water per parcel

Curtailments

The 2021 curtailment orders called for an immediate cease of diversions from the rivers for both pre- and post-1914 water right holders.

Timeline of events:

August 20, 2021

The State Water Resources Control Board (SWRCB) issued curtailment orders on approximately 4,500 water right holders in the Sacramento-San Joaquin Delta - including Turlock Irrigation District.

September 2, 2021

The San Joaquin Tributaries Authority (SJTA), of which TID is a member, filed a lawsuit against the SWRCB challenging their adoption of the Emergency Drought Curtailment Regulations.

November 2021

SWRCB temporarily lifted the curtailment orders on imposed upon water right holders in the Sacramento-San Joaquin Delta - including Turlock Irrigation District. Lifting the curtailments allowed TID to capture water for storage in the Tuolumne River Watershed, including the early water season storm in October.

What's Next:

The SWRCB has not yet indicated when the curtailments will again be imposed on the District. Without the reprieve, the curtailments could have significant impact on available water in future years.

Voluntary Agreement Update

On October 20, 2021, the State Water Resources Control Board informed TID that they were walking away from the Tuolumne River Voluntary Agreement process and would instead move forward with implementing their Phase 1 Bay-Delta Water Quality Control Plan. TID has repeatedly expressed our commitment to continue Voluntary Agreement discussions and has negotiated in good faith for years to implement our comprehensive, science-based plan to improve the ecology of the Tuolumne River. Parallel to the voluntary agreement discussions, TID filed lawsuits against the State Water Resources Control Board's Bay-Delta Plan, and those lawsuits continue to move forward. TID remains committed to long-term, science-based, voluntary solutions and is willing to re-engage in discussions with the State to reach an agreement that will benefit all.

Local Control At Work

Customer-owned, Locally Governed

TID is governed by a five-member, locally elected board of directors with the role of representing the needs and voices of customers within their district. The Directors are responsible for approving District policies and budgets and operational practices.

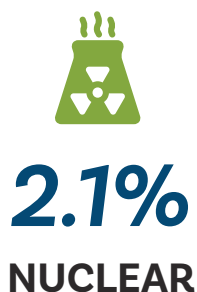
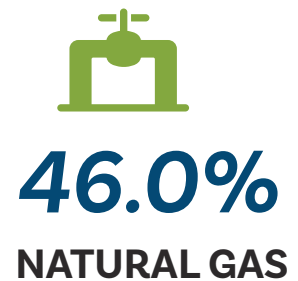
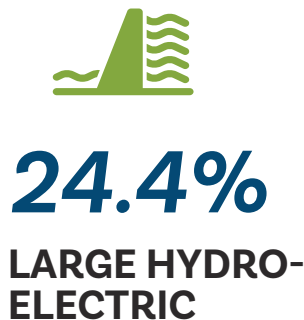
Additionally, the Directors represent TID on regional boards such as the Turlock Subbasin Groundwater Sustainability Agency, the California Farm Water Coalition and the San Joaquin Tributaries Authority, as well as TID's Power Supply Risk, Personnel and Compensation, and Pension Investment committees. The public is invited to participate in the Board of Directors meetings. Information including time, date and agendas can be found at TID.org/boardmeetings.

There are many ways Turlock Irrigation District benefits from being community-owned, including local control of our generation and transmission resources. As a Balancing Authority, TID is solely responsible for meeting the power needs of our over 240,000 customers within our 662-square miles service area.

In Spring of 2021, TID officially entered the Western Energy Imbalance Market (EIM) providing the District with access to additional low-cost energy to serve real-time demand while meeting Renewable Portfolio Standard requirements.

Entering the EIM is an example of how TID and the Board of Directors have invested in beneficial programs and resources to best serve its customer-owners. After being live for only 10 months, TID's 2021 monetary benefits of joining the EIM are \$5,107,698.70.

TID's Retail Power Portfolio



Investing in Reliability

As a community-owned utility, TID is committed to the maintaining integrity of its facilities.

In 2021, departments throughout the District contributed to facility and infrastructure upgrades to preserve and increase the efficiency of TID's vital infrastructure which enables the District to provide the essential resources of water and power to our customers.

Protecting Our Resources



Fairgrounds Substation Project

Upgrades made to increase electric capacity and reliability to customers.



Patterson Vault Replacement

Proactive replacement of aging underground equipment before the potential of problems or interruptions in service arise.



Lateral 6 Gate

Installation of automatic drop gate to provide added control of water flow.



Protective Relays

Commissioning new protective relays to support providing safe and reliable power to customers.



Power line Restring

Replacement of electric poles and distribution lines is an important investment in the District's resources.

Measuring System Reliability

TID's 2021 System Average Interruption Duration Index (SAIDI) number: 75 minutes SAIDI is the average duration of all outages shared amongst every customer.

2021 Top five causes of outages by percentage

24%
Vehicle vs. Pole

19%
Unknown

15%
Wind

9%
Balloons

7%
Trees

Commitment to Customer Savings

Community Savings through Energy Efficiency Efforts

3,770 residential customers received rebates

42 non-residential customers received 3,094,053 kWh in rebate savings

2,548 streetlight fixtures replaced with Dusk to Dawn LED's, saving 1,362,221 kWh

4,852,752 kWh total saved in 2021 (residential and non-residential)

228 Electric Vehicle rebates issued in 2021 (residential and commercial)

126 Electric Vehicle Charger rebates issued in 2021 (residential and commercial)



TID Hosts Electric Car Guest Drive Event

TID customers were invited to test drive a wide variety of electric cars, learn about purchasing and owning a plug-in vehicle from actual EV owners. The event hosted 12 vehicles and conducted over 170 test drives by registered customers.

TID continues to educate customers on benefits and potential savings from electric vehicles through events like the Guest Drive, as well as the EV guide, ev.tid.org.



TID's Community Grant Program

As a trusted community partner, TID recognizes that we can accomplish more when we work together. In recognition of this, TID established the "Powering Our Communities" Program. "Powering Our Communities" is a grant-type program available to municipal organizations in the TID service area that aims to provide financial support for energy efficiency projects benefitting the community.

In 2021 TID awarded the inaugural grant to the City of Turlock to be used exclusively for the Pedretti Park Lighting Upgrades project, which will begin construction in the summer of 2022.

Outside of the grant program, TID also supported the installation of a drip irrigation system for the local, non-profit community garden, continuing the District's support of efficient use of the precious resource of water.



Pursuing Customer-Focused Initiatives



With a desire to further connect with customers and offer greater insight into the District, TID introduced the TID Water and Power Podcast. The monthly podcast showcases subject matter experts from across the District, giving listeners inside knowledge about the operations of their community-owned utility. Launched in May 2021, TID's podcast had over a 1,300 downloads in its first year, with five of the first eight episodes receiving enough downloads in the first 7 days of release to be within the top 25% of all podcasts.

As TID's customers continued to be impacted by COVID-19 in 2021, the District introduced new programs and enhancements that would deliver on ease of service and provide support. Payment assistance programs continued to support customers. One example is the Salvation Army Program that provides financial assistance to TID customers, resulting in the reduction of the total past due amounts by over \$87,000.

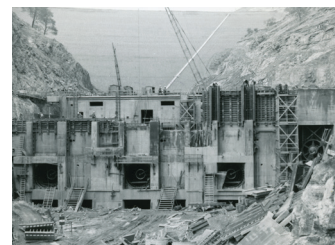
TID also implemented new practices and options to allow customers to safely and easily make payments, including the installation of payment kiosks at both our Turlock and Ceres office locations. The outdoor kiosks offer a contactless, secure, and convenient way for customers to pay their electric bill through a self-service platform.



Don Pedro Project Celebrates 50th Anniversary

As a focal point of the TID system, the Don Pedro Project celebrated a milestone anniversary in 2021. Don Pedro has not only provided irrigation water and power for our community, but has offered flood control and multiple recreational opportunities over its 50 years.

- ◆ Don Pedro Reservoir stores irrigation water for approximately 200,000 acres of farmland.
- ◆ The power plant generates 203 megawatts of clean, affordable hydroelectricity.
- ◆ The reservoir offers fishing, boating and camping opportunities along 160 miles of shoreline.
- ◆ Regulated river flows are released from Don Pedro to benefit fisheries and maintain the health of the Tuolumne River.
- ◆ The reservoir and the optimized operation of the Don Pedro Project allows for efficient water usage and provides flood control capabilities.

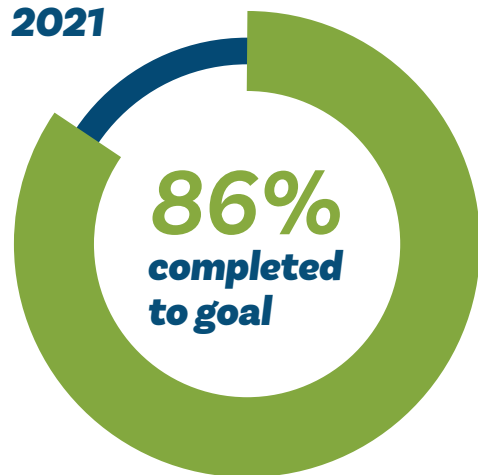


Forward Progress Through Strategic Planning

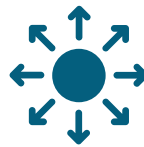
A Look Into the Progress of the 5-Year Strategic Plan Progress

The Strategic Plan continues to serve the critical function of helping the District move forward with a cohesive vision and a tactical action plan. The District's progress against the Goals, Actions and Tasks of the 2020-2025 Strategic Plan is continuously monitored to ensure tasks are on track to meet the Districts' priorities.

2021



2021 Goals Completed by Priority



Water & Electric
Supply & Distribution

75%



Finance &
Rates

100%



Workforce

78%



Customer Service &
Community Relations

90%



Safety

69%



Technology

99%

Strategic Plan Notable

Support to Growers through Technology

TID utilizes the best technology to run models and regularly update our Board of Directors and growers throughout the year. New technology, including the Airborne Snow Observatory (ASO), and Forecast-Informed Reservoir Operations (FIRO), offers the best possible data to inform the District's decision making on water operations allowing us to save as much water as possible for the most efficient use in dry and wet years.

In 2021, TID officially implemented new features on the online water request system to benefit growers irrigating within TID's service area. Growers can request water easily from a desktop, tablet, or mobile device. In addition to requesting water on the go, users can check the water usage on each parcel, view irrigation history, and download parcel summary reports.

Community-Owned – We Are (all) TID

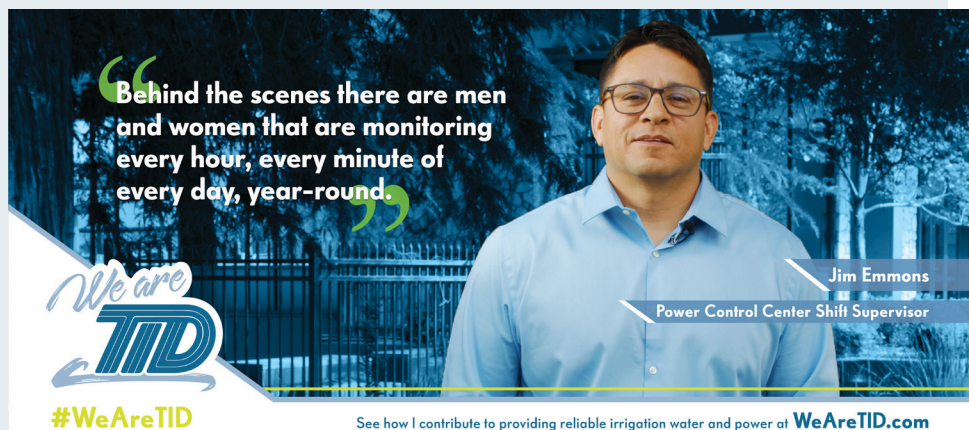
There is great pride in being part of a community, and as a community-owned utility, TID seeks out opportunities to support the well-being of its customers through educational programs, sponsored events, and our employee giveback program, Team TID.

2021 Highlight Reel

- ◆ **Swim for Free with TID:** As part of TID’s swim safe campaign, TID sponsored the entry fee for community members at local pool sites on specific days during the summer season.
 - ◇ In July, TID sponsored nearly 700 swimmers at pool sites within TID’s service territory in support of water safety education
- ◆ **Community Events:** Annually, TID supports community events to connect TID to its customers.
 - ◇ Throughout 2021, TID participated in several community events including: National Night Out, Turlock Certified Farmers Market, Hilmar Dairy and Farm Festival, Denair Farm and Family Night, Delhi Block Party, Turlock’s Annual Holiday Parade and Patterson’s Holiday Boutique.
- ◆ **Team TID:** TID’s employee give-back nonprofit program raises support for families and organizations within TID’s service territory.
 - ◇ In 2021, through virtual events and fundraising efforts, Team TID raised nearly \$5,000 which supported local families in need during the holiday season.



The **We Are TID** campaign represents TID’s commitment to the work we do for, and with, our community. In its second installment, the 2021 We Are TID campaign shared the stories of eight employees, the unique work they do, and the many ways TID supports families and business through the essential services we provide.



Award Worthy

- ◆ American Public Power Association awarded Turlock Irrigation District with the 2020 Certificate of Excellence in Reliability for being in the top quartile (25%) of utilities for System Average Interruption Duration Index (SAIDI) based on the EIA data in 2015 - 2019.
- ◆ Institute for Local Government awarded the Beacon Award for Leadership in Climate Resilience and Adaptation to Turlock Irrigation District for their innovative Water Management Operations Program.
- ◆ American Public Power Association presented Turlock Irrigation District with the Excellence in Public Power Communications Award for its 2020-2025 Strategic Plan publication.
- ◆ The Association of California Water Agencies selected Turlock Irrigation District as the winner of ACWA's 2021 "Most Effective Agency on Federal Issues" Award for its work on HR 8041 (Harder CA-10) and S 4530 (Feinstein CA) in support of the Snow Water Supply Forecasting Program Authorization Act.
- ◆ The National Hydropower Association presented Turlock Irrigation District with the 2021 Outstanding Stewards of America's Waters (OSAW) Award in the category of Operational Excellence for Don Pedro Power Plant's Role in Supporting the Grid During the 2020 August Heatwave.
- ◆ Northwestern Public Power Association awarded Turlock Irrigation District's Casey Hashimoto (ret.) the Wm. "Bill" McCrorie Distinguished Service Award for his exceptional service to public power.
- ◆ Turlock Irrigation District was recognized with a coveted Best CIS Implementation Award as part of CS Week for the successful implementation of a new Customer Information System (CIS).

Turlock Irrigation District Wins 2021 Outstanding Stewards of America's Waters Award



Turlock Irrigation District's Don Pedro Power Plant's Role in Supporting the Grid During the 2020 August Heatwave Wins 2021 Outstanding Stewards of America's Waters Award



Sharing Stories on New Platforms to Connect with Customers

TID continues to seek new opportunities to provide information to customers. In April 2021, TID launched its presence on Instagram in an effort to reach a broader demographic of customers. Each month, TID's Instagram account grew its engagement and ended 2021 with more than 816 followers, with an additional 23,000 users reached through Instagram Stories. Across all TID social media channels, the District reached well over half a million people in 2021.

Historical Results Of Operations

(\$ IN THOUSANDS)	2021	2020	2019	2018	2017
OPERATING REVENUES:					
Electric energy - Retail	\$289,834	\$275,323	\$264,836	\$268,963	\$304,200
Electric energy - Wholesale	78,830	47,052	54,980	53,476	51,482
Wholesale Gas	5,237	2,005	3,600	4,311	4,273
Irrigation	15,138	13,213	13,314	13,201	13,145
Other	1,913	4,383	6,237	4,315	5,173
Total Operating Revenue	390,952	341,976	342,967	344,266	378,273
OPERATING EXPENSES:					
Power Supply:					
Purchased Power	80,532	58,027	50,537	54,718	55,237
Generation and Fuel	105,616	83,200	93,607	95,612	95,281
Total Power Supply	186,148	141,227	144,144	150,330	150,518
Other Electric O&M	25,144	25,207	26,008	28,032	26,512
Irrigation O&M	13,708	13,996	14,126	14,281	12,474
Public Benefits	4,384	5,119	4,732	4,722	5,457
Administration and General	29,608	27,639	26,687	25,612	24,786
Depreciation and amortization	69,159	65,276	65,793	65,001	64,567
Total Operating Expenses	328,151	278,464	281,490	287,978	284,314
OTHER INCOME (EXPENSE):					
Interest/Derivative (loss)gain	3,100	6,534	6,723	4,049	3,230
Miscellaneous	11,956	11,117	10,278	14,099	10,028
Total Other Income	15,056	17,651	17,001	18,148	13,258
INTEREST EXPENSE					
Long Term Debt	36,831	44,544	48,334	49,845	47,473
NET INCOME (LOSS)	41,026	36,619	30,144	24,591	59,744
NET POSITION:					
BEGINNING OF YEAR (1)	451,756	415,138	384,994	360,403	310,814
END OF YEAR	\$492,782	\$451,757	\$415,138	\$384,994	\$370,558
DEBT SERVICE COVERAGE -					
REVENUE BONDS/COP'S	4.22x	3.76x	3.54x	2.93x	2.81x

(1) Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was adopted in 2018 and as a result beginning of year Net Position was restated as of January 1, 2018

Historical Operating Statistics

(\$ In thousands)	2021	2020	2019	2018	2017
AVERAGE CUSTOMERS AT END OF PERIOD:					
Residential	75,238	74,376	73,978	73,730	73,381
Commercial	7,469	7,386	7,320	7,282	7,236
Industrial	883	876	883	878	860
Other (1)	10,326	21,346	21,085	21,060	20,853
Total	93,916	103,984	103,266	102,950	102,330
MWh SALES:					
Residential	826,440	821,010	745,512	732,041	764,099
Commercial	141,141	134,617	134,018	132,867	133,967
Industrial	843,108	808,223	792,909	790,621	774,613
Other (1)	413,741	399,658	373,378	390,310	375,219
Total Retail	2,224,430	2,163,508	2,045,817	2,045,839	2,047,898
Interdepartmental meters	50,595	49,925	48,470	48,811	48,871
Wholesale Power	1,214,391	1,124,759	1,307,447	1,299,777	1,379,433
Total	3,489,416	3,338,192	3,401,734	3,394,427	3,476,202
SOURCES OF MWh:					
Generated by district	2,171,463	2,182,107	2,136,572	2,062,189	2,251,144
Purchased	1,404,758	1,244,994	1,341,973	1,410,460	1,307,532
Subtotal	3,576,221	3,427,101	3,478,545	3,472,649	3,558,676
System losses	86,805	88,909	76,811	78,222	82,474
Total	3,489,416	3,338,192	3,401,734	3,394,427	3,476,202
ELECTRIC ENERGY REVENUES: (IN THOUSANDS)					
Residential	\$132,132	\$130,991	\$119,534	\$117,429	\$122,325
Commercial	19,993	19,186	19,039	18,886	19,013
Industrial	100,311	96,630	95,450	94,828	93,356
Other (1)	55,868	54,167	51,031	53,188	51,034
Power Supply Adjustment Recognized (Deferred)	(18,813)	(25,935)	(30,235)	(23,405)	(23,443)
Rate Stabilization Transfer	0	0	9,570	7,506	41,370
Total Retail Energy	289,491	275,039	264,389	268,432	303,655
Electric Service Charges	323	246	409	502	489
Other Electric Revenue	20	38	38	29	56
Electric Energy Retail	289,834	275,323	264,836	268,963	304,200
Wholesale Power	78,830	47,052	54,980	53,476	51,482
Total	\$368,664	\$322,375	\$319,816	\$322,439	\$355,682
SYSTEM PEAK DEMAND (MW)	562	571	537	526	549
AVERAGE MWh SALES PER CUSTOMER					
Residential	10.984	11.039	10.077	9.929	10.413
Commercial	18.897	18.226	18.308	18.246	18.514
Industrial	954.822	922.629	897.972	900.479	900.713
AVERAGE REVENUE PER MWh					
Residential	\$159.88	\$159.55	\$160.34	\$160.41	\$160.09
Commercial	\$141.65	\$142.52	\$142.06	\$142.14	\$141.92
Industrial	\$118.98	\$119.56	\$120.38	\$119.94	\$120.52
AVERAGE COST OF POWER					
PER KWh FOR RETAIL LOAD (2,3)	\$0.068	\$0.064	\$0.065	\$0.069	\$0.069

(1) Includes agricultural and municipal water pumping and street lighting. During 2021, street lighting accounts were consolidated as the District migrated to a new utility billing system, resulting in fewer report customer accounts.

(2) Includes depletion and depreciation on generation assets, excludes debt service.

TID Overview

Established in 1887, the Turlock Irrigation District (TID) was the first publicly owned irrigation district in the state. Today it is one of only four irrigation districts in California that also provides electric retail energy directly to homes, farms and businesses. Organized under the Wright Act, the District operates under the provisions of the California Water Code as a special district. TID delivers irrigation water through a gravity-fed canal system.

In addition, TID owns and operates an integrated and diverse electric generation, transmission and distribution system. TID is one of eight Balancing Authorities in California and operates independently within the Western United States power grid. A Balancing Authority must ensure customers' usage and resources are matched on a moment-by-moment basis. TID is governed by a five-member, locally elected Board of Directors.

TID Quick Facts

NUMBER OF EMPLOYEES:

458

ELECTRIC SERVICE AREA:

662 square miles

ELECTRIC CUSTOMERS:

240,000

ELECTRIC SERVICE CUSTOMER BREAKDOWN:

RESIDENTIAL

72%

COMMERCIAL

7%

OTHER

20%*

INDUSTRIAL

1%

*Includes agricultural and municipal water pumping and street lighting

IRRIGATION ACCOUNTS:

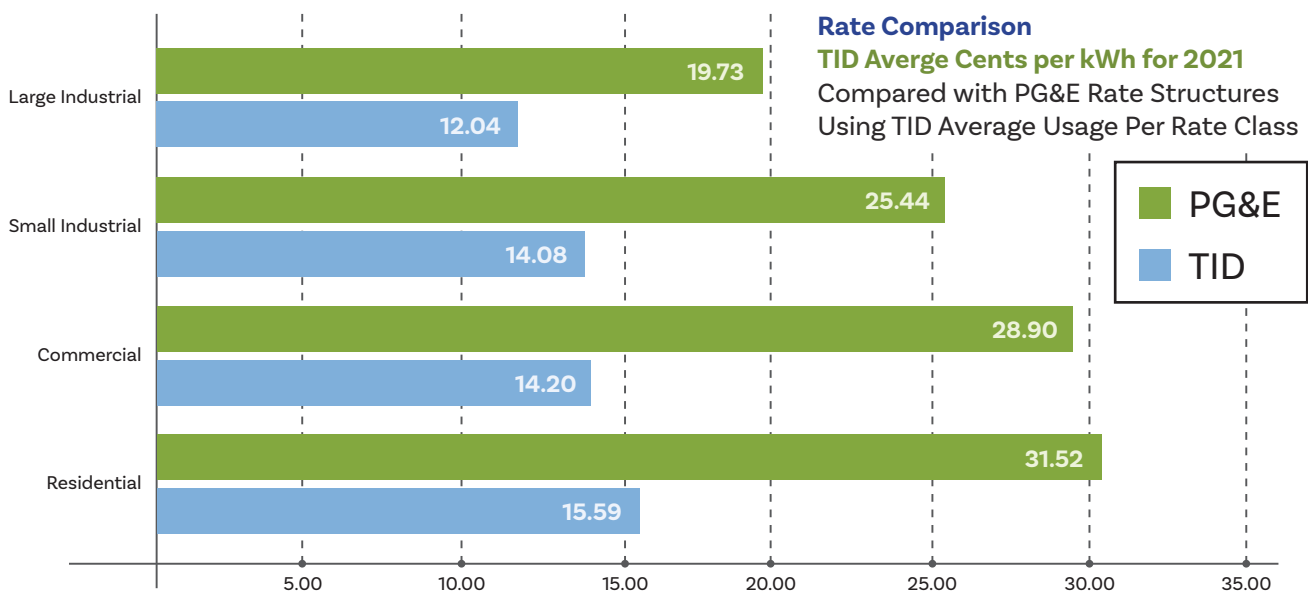
4,700

MILES OF GRAVITY-FED CANALS:

250 miles

IRRIGATED ACRES:

146,791 acres



Board of Directors



Division 1

Michael Frantz
Vice President



Division 2

Charles Fernandes



Division 3

Joe Alamo



Division 4

Rob Santos
President



Division 5

Ron Macedo
Secretary

TID Management Team

Michelle Reimers
General Manager; CEO

Brad Koehn
Chief Operating Officer

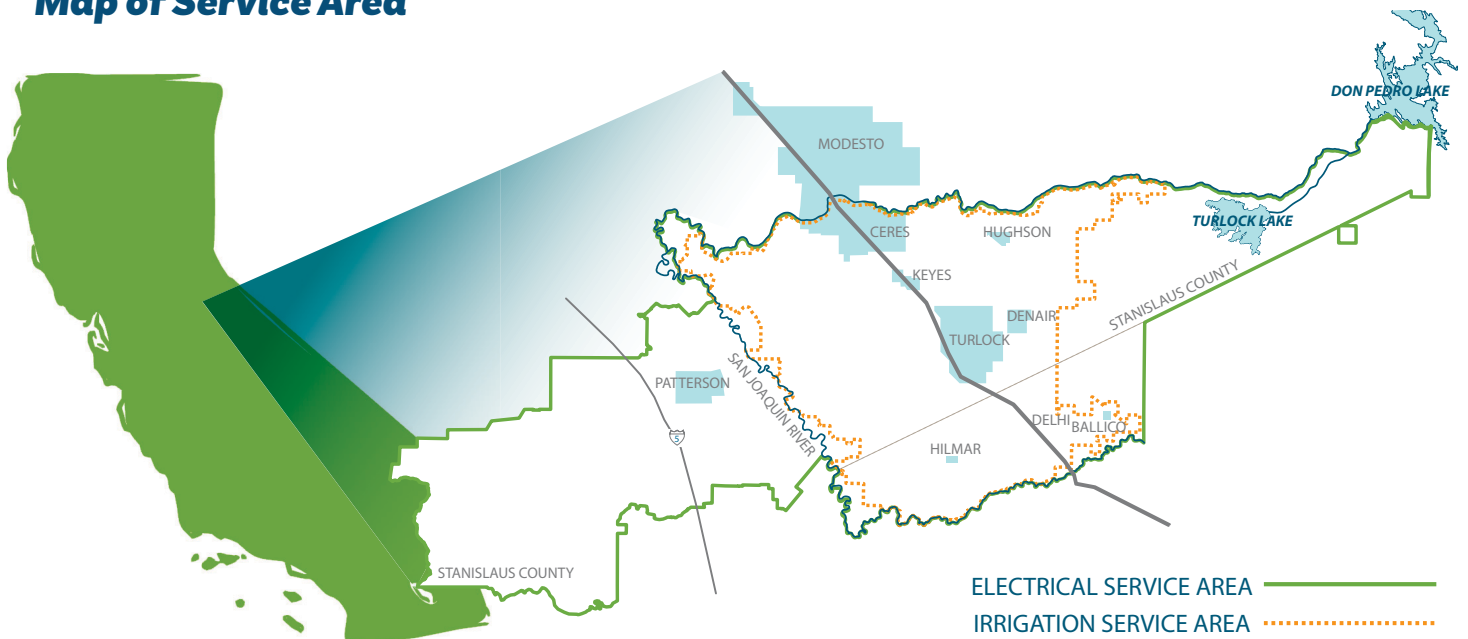
Manjot Gill
Assistant General Manager, Electrical
Engineering & Operations

Brian Stubbert
Assistant General Manager, Financial Services;
CFO

Dan Severson
Assistant General Manager, Power Supply

Tou Her
Assistant General Manager, Water Resources

Map of Service Area



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