



**WATER & POWER**

*Serving Central California since 1887*

CORRESPONDENCE NO. 5

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**TURLOCK IRRIGATION DISTRICT**

**2010**  
*Annual Report*



## from the General Manager

The past year was a significant one for Turlock Irrigation District; what appears on the pages that follow will attest to that. Many critical projects were advanced or completed in 2010, everything from the 174-megawatt Almond 2 Power Plant (A2PP) gaining state approval for construction to the District integrating a water safety video into its Education Program. All of this in addition to a successful water year. And, fortunately, despite the mounting challenges of – and mandates to – providing renewable energy in California, the District was able to keep electrical rates stable and without increase.

Additionally, upon the departure of General Manager Larry Weis over the summer, the District's Board of Directors began a national GM search and selected me to serve as General Manager.

Looking at where the District has been, there is no better time than the present to address where the District is going. While the future offers few certainties, the manner by which the District arrives at its destinations is of utmost importance. Here are three areas of focus for the District moving forward.

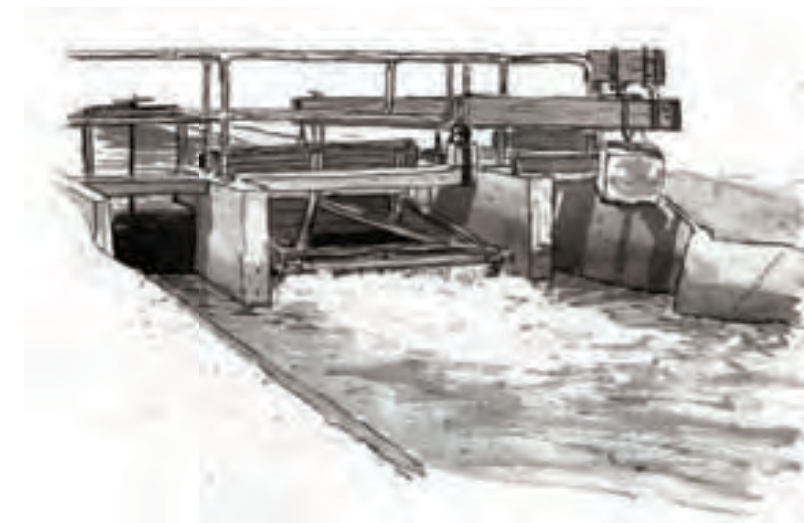
First, the District will give increased attention to customer service and the benefits ratepayers receive. To be a successful public utility, a reverence for customers is a requirement; one that is as important today as it was nearly 125 years ago when the District was formed by those who were stewards of the land long before us. A good example of this is the District's digital phone system. The new system updated an antiquated phone system that frustrated many customers and employees, allowing for the more efficient routing of calls so customers can get the information and service they desire.

Secondly, open communication and transparency in operations will be key, both internally and externally. While it's important for employees, customers and other interested parties to know what's happening at the District, it's of greater importance for people to know why things are happening. Communication with the public is one of many reasons why a redesigned tid.com was launched. The new site is able to clearly direct users to board information, hourly hydrological data, press releases and outage information. Additionally, the creation of the @turlockid Twitter account helped disseminate similar information in a different venue.

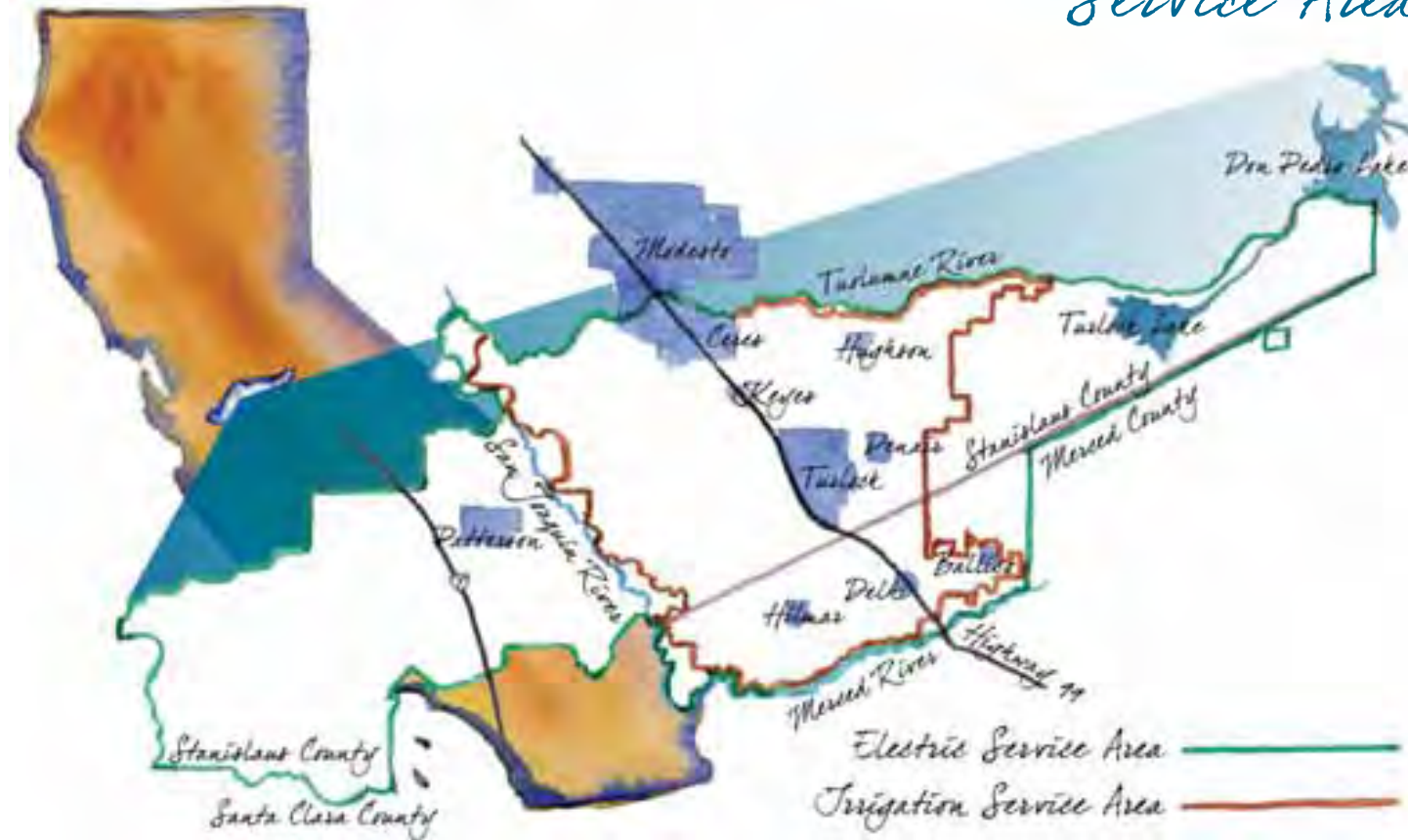
Third, the District will remain true to its forward-thinking behavior. Innovation develops more efficient ways of performing duties. And because of innovation, the impossible can become routine. Coupled with determination, innovation will help the District to overcome challenges and seize opportunities. With the progress of A2PP and the Hughson-Grayson Project, the District is working to provide timely solutions by developing generation and increasing reliability, thereby averting problems that would have otherwise been menacing.

Therein lies the importance of foresight. The District wouldn't be here without it. Thankfully, with it, exciting times lie ahead.

*Casmy Hashimoto*



## Service Area



## Statistics

Electric Service Area	662 square miles
Number of Electric Accounts at year end	99,608
Customers per mile of Distribution Line	45
Customers per mile of Transmission Line	290
Miles of Distribution Line	2,193
Irrigation Service Area	307 square miles
Number of Acres Irrigated	145,559
Number of Employees	458

## Overview

Established in 1887, TID was the first publicly owned irrigation district in the state and one of only four in California today that also provides electric retail energy directly to homes, farms and businesses. Organized under the Wright Act, TID operates under the provisions of the California Water Code as a special district. TID is also a balancing authority and is governed by a five-member Board of Directors.





## *Don Pedro Relicensing*

The District continued compiling documents and putting processes in motion to prepare for the long and arduous Federal Energy Regulatory Commission (FERC) process to relicense the Don Pedro Hydroelectric Project. Specifically, the District worked in concert with Modesto Irrigation District in preparing to submit a Notice of Intent (NOI) and a Pre-Application Document (PAD) to FERC.

The Districts are co-applicants for the license, as both are the current license holders and both have a vested interest in Don Pedro, irrigation water, and the clean, hydroelectric power that the Don Pedro Power Plant generates. The original license took effect in 1966 and expires in 2016.

FERC will evaluate many items before making its relicensing decision, including impacts related to Project operations, engineering, water resources, environmental resources, recreation, cultural resources, and socioeconomics.







## *Water Year*

Though classified as average by California Department of Water Resources standards, the 2010 water year brought much success to the District. The year's full natural flow to the Tuolumne River Watershed registered 1,877,648 acre feet, with roughly 74 percent of that runoff coming between April and July.

The 2010 watershed runoff was up nearly 200,000 acre feet from the previous year. Irrigation water users received a full water allotment of 48 inches per acre, allowing growers to continue to be able to irrigate and produce crops that help feed the masses and stimulate the state's sagging economy.

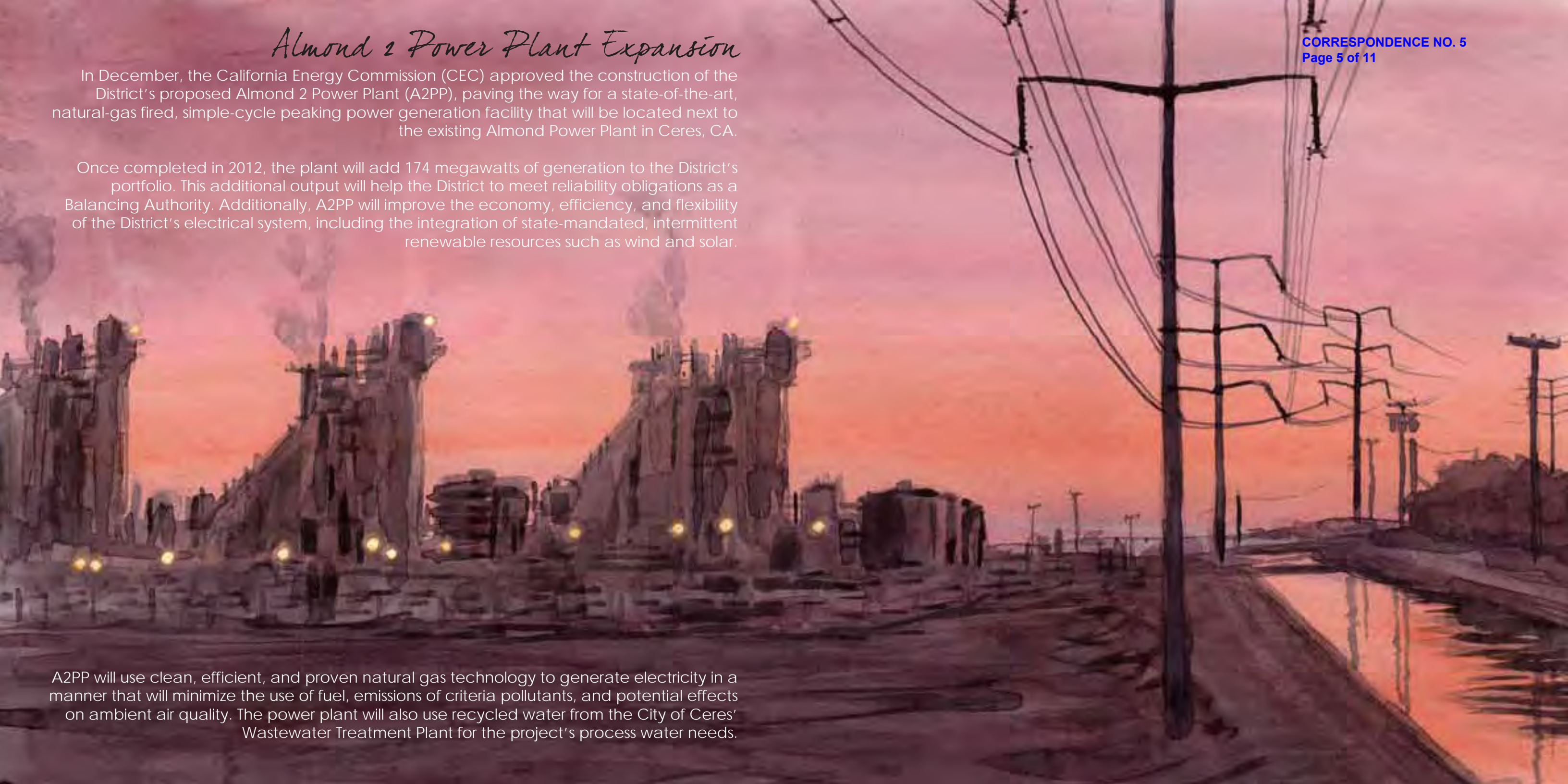


## *Almond 2 Power Plant Expansion*

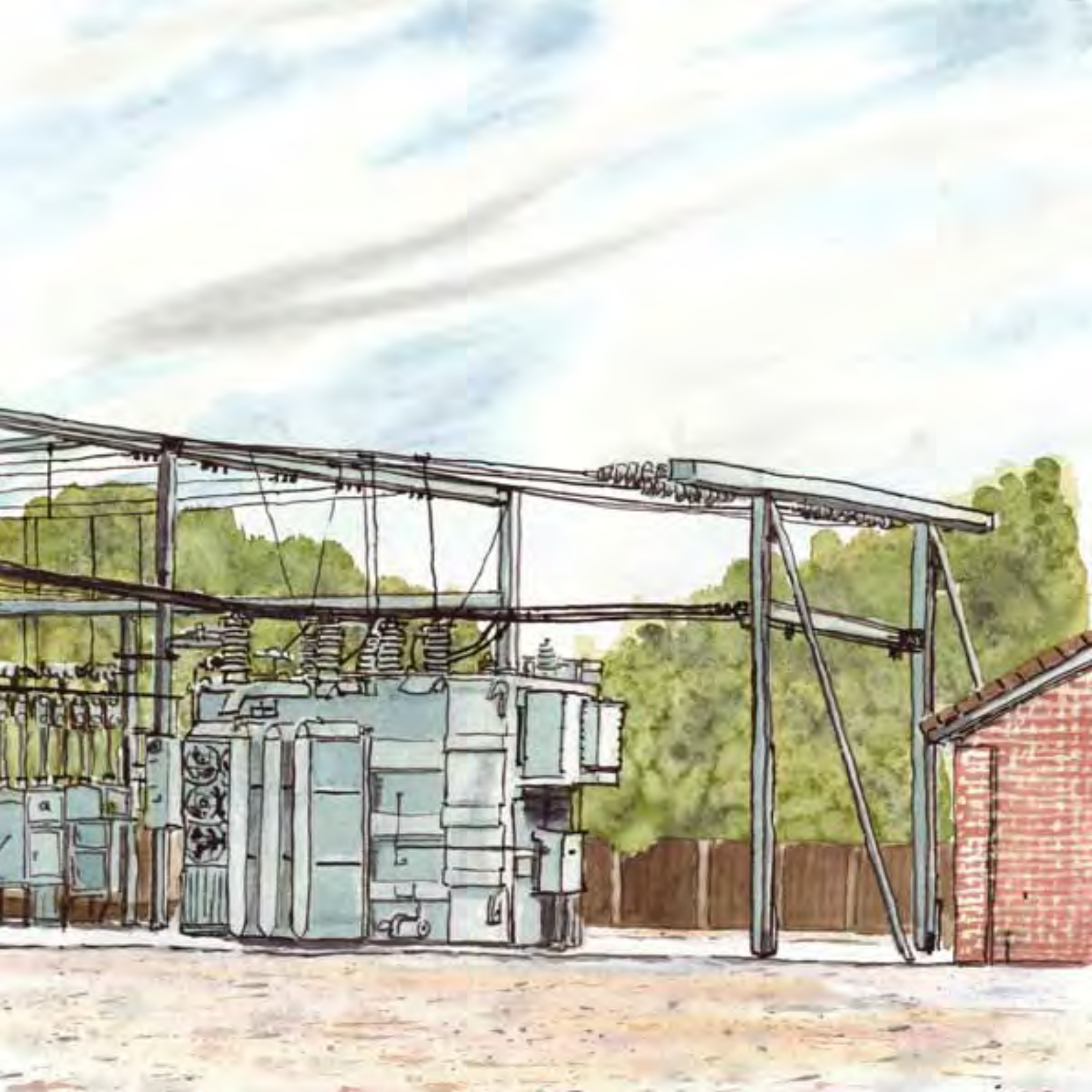
In December, the California Energy Commission (CEC) approved the construction of the District's proposed Almond 2 Power Plant (A2PP), paving the way for a state-of-the-art, natural-gas fired, simple-cycle peaking power generation facility that will be located next to the existing Almond Power Plant in Ceres, CA.

Once completed in 2012, the plant will add 174 megawatts of generation to the District's portfolio. This additional output will help the District to meet reliability obligations as a Balancing Authority. Additionally, A2PP will improve the economy, efficiency, and flexibility of the District's electrical system, including the integration of state-mandated, intermittent renewable resources such as wind and solar.

A2PP will use clean, efficient, and proven natural gas technology to generate electricity in a manner that will minimize the use of fuel, emissions of criteria pollutants, and potential effects on ambient air quality. The power plant will also use recycled water from the City of Ceres' Wastewater Treatment Plant for the project's process water needs.







## *Hughson-Grayson Transmission and Substation Project*

In November, the District's Board of Directors certified the Final Environmental Impact Report and also selected a route for the Hughson-Grayson 115-kV Transmission Line and Substation Project. Once completed, the project will bring added reliability to the District's electrical system, specifically the Ceres service area, which was previously served by only 69-kV transmission lines.

Additionally, the new 115-kV line helps reduce the possibility of power outages occurring in the area, provides capacity for future growth, and provides another dedicated transmission crossing of the heavily traveled State Route 99.





## *Animated Water Safety Video*

Always searching for innovative ways to educate people about water and electrical safety, the District worked to create "Dexter Duck's Swim Safe Safety Tips", an animated water safety video geared toward educating elementary students about how to stay safe around water.

The Dexter video is the latest brainchild of the District's Education Program. Other programs include in-classroom presentations about water, electricity and safety, the promotion of water stewardship, the TID Education Trailer and much more.

The video, when used on the heels of an in-class water safety presentation, further reinforces one of the most important messages the District can convey: canals are not places to play or swim.







## *A New Digital Presence*

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In response to customer feedback, internal advisement and the ever-changing, fast-paced nature of the Internet, the District felt it was prudent to redesign its website, [www.tid.com](http://www.tid.com), and jump into the social media arena. In addition to creating LinkedIn and YouTube accounts, the District also launched a Twitter account to help deliver messages and other information to interested parties.

A new [tid.com](http://tid.com) was launched in December, resulting in a clean, simple-designed website that above all else offers customers increased functionality and ease of use. In addition to improved navigation and an updated search function, the new [tid.com](http://tid.com) features real-time electrical outage information, hourly updates to TID hydrological data and supplemental board meeting information.

Concurrent with the website's release was the District's creation of a Twitter account (@turlockid). Among other bits of useful information, being active on Twitter affords the District opportunities to alert customers and others of outages, media releases and upcoming board meetings. As well as to inform many about energy saving measures in addition to electrical and water safety tips, and promote projects, rebates and assistance programs.

## *New Employee Welcome Package*

The District began revamping its employee orientation philosophy, the trademark piece being a new orientation video. The video details the District's rich history of providing water and power to the region, as well as informs new hires of various departmental roles. The 50-minute video contains chapters that integrate the existing presentations of various Human Resource orientation components such as safety, workers compensation, health and wellness benefits and retirement.

One aspect of new employee orientation involved the updating and redesigning of an existing Supervisor's Checklist manual into a Hiring Manager Handbook. The manual's processes have long served as a template for managers to ensure that employees are getting tours of the building, meeting their co-workers, and learning appropriate safety procedures, in addition to other requirements. Another aspect is an informative flipbook that provides general information to new hires.

The video, handbook and flipbook are designed to work as a complete set that will help develop employee morale and workplace aptitude from an employee's first interactions with the District, further benefiting customers in various indirect, yet important methods.



## *New Phone System*

The District upgraded its phone system with a new Voice-Over-Internet Protocol (VOIP) system. The District set out to research the best and most cost-efficient phone systems that would help better meet customer needs.

In addition to adding more lines to better handle customer service needs and making voicemail easier to use, the phone system allows for better communication to those attempting to reach District employees. A simple yet profound example of this is illustrated in the versatile on-hold message that greets external callers. New messages can be recorded instantly in the event of power outages or other high-volume call scenarios, allowing information to be given to customers in an efficient manner.

The system helps further the efficiency of call routing, all in the hope that customers can obtain the information they seek in a timely manner.





## Board of Directors

Michael Frantz *Division 1*

Charles Fernandes *Division 2 - Vice President*

Joe Alamo *Division 3*

Rob Santos *Division 4 - President*

Ron Macedo *Division 5*

## Management Team

Casey Hashimoto *General Manager*

### *Assistant General Managers*

Joseph Malaski *Financial Services & CFO*

James Farrar *Resource Management, Planning & Rates*

Keith Cargill *Water Operations, Construction & Maintenance*

Larry Gilbertson *Electrical Engineering & Operations*

Brian LaFollette *Power Supply*

Robert Nees *Civil Engineering & Water Resources*

## Advisors

Griffith & Masuda *General Counsel*

Orrick, Herrington & Sutcliffe LLP *Bond Counsel*

PricewaterhouseCoopers LLP *Independent Accountants*

Public Financial Management, Inc. *Financial Advisor*

SAIC Energy, Environment & Infrastructure, LLC *Consulting Engineers*

## Revenue Bond Ratings

Moody's *A1*

Fitch *A+*

Standard & Poor's *A+*

*All illustrations created by  
Turlock Irrigation District  
employee Mark Selby*

## TID Financial Statements 2010

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The attached disc contains the Turlock Irrigation District's 2010 Financial Statements. This document is stored in Adobe Acrobat (PDF) format. To view the document you will need to have the Adobe Acrobat Reader® installed on your computer.

The PDF files are also available through the TID website at [www.tid.com](http://www.tid.com) or by calling the TID business office at 209.883.8300.





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