

**TRI-DAM PROJECT
MINUTES OF THE JOINT BOARD
OF DIRECTORS REGULAR MEETING**

November 20, 2014
Manteca, California

The Joint Board of Directors of the Oakdale Irrigation District and the South San Joaquin Irrigation District met in joint session at the office of the South San Joaquin Irrigation District located in Manteca, California on the above date for the purpose of conducting business of the TRI-DAM PROJECT, pursuant to the resolution adopted by each of the respective Districts on July 29, 1955.

The regular meeting was called to order at 9:03 A.M. by Chairman Roos.

OID DIRECTORS

SSJID DIRECTORS

DIRECTORS PRESENT:

FRANK CLARK (*arrived 9:20 am*)
HERMAN DOORNENBAL
STEVE WEBB

BOB HOLMES
DAVE KAMPER
RALPH ROOS
DALE KUIL
JOHN HOLBROOK

DIRECTORS ABSENT:

JACK ALPERS; AL BAIROS, JR.

ALSO PRESENT:

Ron Berry, General Manager and Secretary, Tri-Dam Project; Jeff Shields, General Manager, SSJID; Rick Dodge, Finance Manager, Tri-Dam Project; Genna Modrell, Finance Asst., Tri-Dam Project; Susan Larson, License Compliance Coordinator, Tri-Dam Project; Steve Knell, General Manager, OID; Tim O'Laughlin, General Counsel, OID.

Note: Items were taken out of order to accommodate various individuals' schedules

PUBLIC COMMENT

Tim O'Laughlin addressed the Board on two issues. The first was the federal legislation moving through Congress. The Federal Legislation contained the Districts' proposal for a predator suppression program and a Warren Act at New Melones. The Districts dropped their language from the bill requesting a Warren Act Contract. Calaveras County Water District has continued to push its Warren Act legislation in the bill. The Districts two General Managers and counsel had a conference call with CCWD regarding their proposed Warren Act language in the Federal Legislation. CCWD staff and consultants were told by their Board to explore every avenue to sell water and generate revenue. The Districts expressed their consternation about CCWD selling water outside the Basin. The issue is moot for now since Senator Feinstein pulled her support for the bill. The Districts will need to address the CCWD issue going forward.

Mr. O’Laughlin also presented information on 2015 water operations on the Stanislaus River and potential water transfers. Staff was instructed to continue to coordinate 2015 water operations and explore potential water transfers.

ITEM #9 FISHBIO

Doug Demko from Fishbio gave a presentation to update the Board on 2014 activities and studies. Mr. Demko noted that Fishbio’s work continues to conclude that fish counts on the Stanislaus are not well correlated with pulse flows, and that the primary cause of salmon mortality continues to be due to non-native predators. Mr. Demko also noted that New Melones water temperatures continue to climb as storage drops, which will further degrade the fishery.

Mr. Demko also discussed Fishbio’s proposed 2015 budget, including an additional \$100,000 for consulting and/or additional publications in support of potential litigation or other legal support. Fishbio is proposing a total 2015 budget of \$725,000.

ITEM #1 REVIEW AND APPROVE MINUTES OF THE REGULAR MEETING

Chairman Roos presented the October 16, 2014 minutes of the Regular Board meeting. Susan Larson stated that closed session items b and d needed to be corrected. Item b should read as follows:

- b. Conference with Real Property Negotiators, Pursuant to Section 54956.8
Property: APN’s 064-029-062, 064-029-063 and 061-057-001
Agency Negotiator: Ron Berry
Negotiating Parties: Tri-Dam Project, Merle Holman and Rick Percell
Under Negotiation: Price and Terms of Payment

Item d should have read as follows:

- d. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 – 1 case

Director Holbrook moved to approve the October 16, 2014 minutes of the Regular Board meeting with the noted corrections. The motion was seconded by Director Doornenbal. The motion passed 8-0.

ITEM #2 FINANCIAL MATTERS

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the October financial statements. Mr. Dodge reported that the Beardsley recreation improvements project has been closed out, with total 2014 expenditures of \$511,000. Mr. Dodge also discussed various revenue and expense accounts and noted that the Project recorded a profit of \$378,000 for the month.

b) Review Investment Portfolio and Reserve Fund Status

Finance Manager Dodge presented the monthly activity and securities held in each of the Project's reserve funds and responded to questions.

c) Review and Approve the Statement of Obligations

Finance Manager Dodge reviewed the statement of obligations and responded to questions.

Director Webb moved to approve the financial statements and statement of obligations. Director Holbrook seconded the motion. The motion passed 8-0.

ITEM #10 CLOSED SESSION

- a. Conference with legal counsel – Existing Litigation
(Paragraph (1) of subdivision (d) of Section 54956.9) - 5 cases
 - 1. Tri-Dam Project v. Schediwy, et al.
 - 2. Tri-Dam Project v. Keller
 - 3. Tri-Dam Project v. Michael, et al.
 - 4. Tri-Dam Project v. Yick
 - 5. Tri-Dam Project v. Holman

- b. Conference with Real Property Negotiators, Pursuant to Section 54956.8
Property: APN's 064-029-062, 064-029-063 and 061-057-001
Agency Negotiator: Ron Berry
Negotiating Parties: Tri-Dam Project, Merle Holman and Rick Percell
Under Negotiation: Price and Terms of Payment

- c. Conference with Labor Negotiator
Pursuant to Section 54957.6
Agency Negotiator: General Manager
Employee Organization: IBEW and Management Group

- d. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 – 1 case

Chairman Roos reported out of closed session that the Board directed Downey Brand to defend any action brought against the Districts or Tri-Dam as a result of the cancelled escrow for APN'S 064-029-062 and 064-029-063.

Director Holmes excused himself at 10:30 a.m.

ITEM #3 DISCUSSION AND POSSIBLE ACTION TO PURSUE CLOUD SEEDING PROGRAM

Mr. Berry updated the board regarding the potential of implementing a cloud seeding program for the upcoming winter. Mr. Berry acknowledged that there may not be enough time to implement the program this winter. Mr. Berry expects to recommend a final decision at the December meeting after further discussions with potential contractors.

ITEM #4 TULLOCH AQUATIC MANAGEMENT PROGRAM UPDATE AND POSSIBLE ACTION TO IMPLEMENT TEST PROGRAM

Ms. Larson updated the Board on the status of the draft plan, which is being prepared in fulfillment of a FERC license requirement. She also advised the Board that at the October meeting, one of the committee members requested that a pilot test program be prepared and Staff is currently working on putting that together. As the plan is finalized, it will be sent to local, state and federal agencies as required, and ultimately to FERC for approval.

ITEM #5 IBEW PERFORMANCE RECOGNITION

GM Berry presented a summary of unplanned plant outages during 2014 and the corresponding awarding of the incentive bonus payment of \$30,000 to be divided equally among 15 eligible represented employees. This performance incentive is a part of the MOU with IBEW represented employees. The incentive promotes teamwork amongst the maintenance and operations staff to identify and perform work that will sustain a high level of plant availability. These types of programs are shown to be effective in accomplishing this goal.

ITEM #6 DISCUSSION OF 2015 DRAFT BUDGET

Mr. Dodge presented the second draft of the 2015 budget, highlighting those areas where a significant increase or decrease has been recommended versus the 2014 budget or versus 2014 actual expenditures. Mr. Dodge advised that a near-final budget will be reviewed during the December Advisory Committee meeting with a final budget to be presented for adoption at the December board meeting.

ITEM #7 STAFF REPORTS

GM Berry updated the Board that flows would increase to 400 cfs on Friday, November 21st.

Ms. Larson advised the Board that the Dept. of Boating and Waterways grant application was submitted on October 20, 2014, requesting \$78,366 to install a boat wash station at Tulloch Reservoir.

Ms. Larson also advised the Board that work continues on the fee survey report, and also advised that the 2.7 acre property is in escrow, as requested by the Board.

ITEM #8 GENERATION REPORT

No discussion.

ITEM #11 DIRECTOR COMMENTS

None

ADJOURNMENT

Director Webb moved to adjourn the Tri-Dam Project Board of Directors meeting at 11:50 A.M. Director Holbrook seconded the motion. The motion passed 8-0.

The next Regular Board meeting is scheduled for December 18, 2014, at the Oakdale Irrigation District in Oakdale, California beginning at 9:00 A.M.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project