

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

October 15, 2015  
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 9:00 A.M. by President Holmes.

**OID DIRECTORS**

**SSJID DIRECTORS**

***DIRECTORS PRESENT:***

FRANK CLARK  
HERMAN DOORNENBAL  
STEVE WEBB  
GARY OSMUNDSON  
AL BAIROS, JR.

BOB HOLMES  
RALPH ROOS  
DALE KUIL  
JOHN HOLBROOK  
DAVE KAMPER

***DIRECTORS ABSENT:***

***ALSO PRESENT:***

Ron Berry, General Manager and Secretary, Tri-Dam Project; Rick Dodge, Finance Manager, Tri-Dam Project; Susan Larson, License Compliance Coordinator, Tri-Dam Project; Genna Modrell, Finance Assistant, Tri-Dam Project; Tim Townsend, Operations Supervisor, Tri-Dam Project; Steve Knell, General Manager, OID; Jeff Shields, General Manager (retiring), SSJID; Peter Rietkerk, General Manager, SSJID; Bere Lindley, Assistant General Manager, SSJID; Tim O'Laughlin, Counsel, OID; David Lyghtle, MHD Group; Marcia Herrmann, MHD Group, Maria Carlson, MHD Group, Matt Weber, General Counsel, Downey Brand

***PUBLIC COMMENT***

There were no public comments.

***ITEM #1 REVIEW AND APPROVE MINUTES OF THE REGULAR MEETING***

President Holmes presented the September 17, 2015 minutes of the Regular Board meeting. Director Roos moved to approve the September 17, 2015 minutes of the Regular Board meeting as presented. The motion was seconded by Director Doornenbal. The motion passed 10-0.

## ***ITEM #2 FINANCIAL MATTERS***

### **a) Review and Approve the Financial Statements**

Finance Manager Dodge reviewed the August financial statements, noting net revenues of \$709,000 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 monthly statement of obligations and responded to questions.

Director Roos moved to approve the financial statements and statement of obligations. Director Webb seconded the motion. The motion passed 10-0.

## ***ITEM #3 SAVE THE STAN CAMPAIGN UPDATE AND POSSIBLE CONTRACT EXTENSION FOR MHD GROUP***

Marcia Herrmann, Dave Lyghtle and Maria Carlson of MHD Group summarized the Save the Stan media campaign, including advertising and social media efforts. Inasmuch as the initial contract with MHD expires on October 31, 2015, Ms. Herrmann proposed a six month maintenance contract to maintain the website, social media and any public relations tasks.

Director Webb moved to approve the six month maintenance agreement presented by Marcia Herrmann. Director Kamper seconded the motion. The motion passed 9-1. Director Clark voted no.

## ***ITEM #4 CALAVERAS COUNTY WATER DISTRICT (CCWD) WARREN ACT CONTRACT***

Tim O'Laughlin, water counsel, advised the Board of CCWD's solicitation of support for a Warren Act contract to store up to 100,000 acre feet of water in New Melones. Although CCWD has significant water rights on the North Fork of the Stanislaus, those rights are almost entirely for power generation and not for consumptive use. Should CCWD be allowed to store water in New Melones, the amount of water to meet current uses would be inadequate, and could negatively impact the Districts, Stockton East Water District, the Bureau of Reclamation, and National Marine Fisheries Service / U.S. Department of Fish and Wildlife. Mr. O'Laughlin also reminded the Board that years ago the Districts challenged CCWD's idea to move water into New Hogan Reservoir to potentially sell outside of the basin because to do so would diminish the water in New Melones, which is already oversubscribed.

Accordingly, Mr. O'Laughlin requested that the Board authorize him to work with the Districts' staff and the general managers to create a plan and strategy to oppose CCWD's attempt at securing a Warren Act contract for storage in New Melones.

Director Webb moved that staff and the general managers work with counsel in developing a plan regarding this issue and report back in November or December. The motion was seconded by Director Kuil. The motion passed 10-0.

### **ITEM #5 STAFF REPORTS**

GM Berry reported that Jeffco is still painting the spill gates and anticipates completion by the first week of November.

Counsel O’Laughlin provided a re-cap of the recent water transfer:

- In March 2015, the Districts began the process of developing an operations plan for the Stanislaus River in coordination with the Bureau of Reclamation’s (USBR) Central Valley Operations unit. The plan was in response to the expected minimal end-of-September storage in New Melones.
- In response to the initial meetings, the Districts began extensive hydrology and temperature modeling which was utilized throughout the coming months by all of the various regulatory and governmental agencies involved in the process, including the USBR / Central Valley Project (CVP), State Water Resources Control Board (SWB), Department of Water Resources (DWR), National Oceanic and Atmospheric Administration (NOAA) / National Marine Fisheries Service (NMFS), Environmental Protection Agency, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, and State Water Project (SWP).
- The initial March estimate of end-of-September storage in New Melones was set at 147,000 acre feet of water. The Districts made their initial water allocations to their constituents based upon this initial storage estimate. (As hydrology later somewhat improved, OID increased allocations; SSJID held constant at its initial allocation.)
- Also in March, the USBR and the DWR sent a temporary urgency change petition (TUCP) to the SWB requesting a change in water quality objectives in the Stanislaus, San Joaquin and Bay Delta. The SWB staff’s initial response to the TUCP was to include a condition to increase end-of-month September storage from 147,000 acre feet to 300,000 acre feet as a requirement for approval of the TUCP.
- Shortly thereafter, NMFS and the USBR made their initial proposal of an April pulse flow. In response, the Districts informed the USBR that the initially proposed pulse flow would lead to insufficient water in New Melones to meet the Districts’ contractually promised water (per the 1988 Agreement), Table 2e river flows, and the SWB staff’s initial request of up to 300,000 acre feet in end-of-September storage in New Melones. Accordingly, the Districts advised the various agencies that they would not release the water proposed for the April pulse flow until a workable plan was developed and agreed to by all agencies. The Districts’ initial refusal to release water was met with enforcement threats from the enforcement division of NOAA, culminating in an enforcement letter to the Districts, warning the Districts of the severity of a violation of the Endangered Species Act (ESA).

- Further negotiations then led to an agreement to not have a regulatory requirement to store additional water in New Melones, provided the Districts agreed to conserve as much water as possible.
- On April 11<sup>th</sup>, the remaining pulse flows were released after all the parties agreed to an operation plan to October 1st of:
  - Table 2e flows
  - Districts get 450,000 acre feet
  - Districts conserve 5-10 percent
- Ongoing negotiations and operations meetings were then held throughout the summer, which included additional ongoing requests for temperature and hydrology modeling and information from the Districts.
- In response to this modeling and information, a new operations plan, including various release schedules and methods, was requested to meet necessary temperature levels in the Stanislaus. In addition, the SWB made it clear in July that a fall pulse flow would also occur and that it was not negotiable. If Reclamation released water for the fall pulse Flow, then Reclamation would have no more water in New Melones by December. All the water in New Melones would be the Districts'.
- In response to this conflict and improved end-of-September storage estimates (primarily due to the Districts' conservation efforts and late-May rains), all parties agreed to an operation plan for New Melones from 10/1/2015 until 3/1/2016:
  - Table 2e flows
  - The Districts conserved water would be released
  - Reclamation would have sufficient water to meet Table 2e flows
- The SWB essentially proposed that if the Districts agreed to the fall pulse flow, the Districts would be compensated through the transfer of the released water into the CVP and SWP once past the Stanislaus River. Accordingly, the Districts would be compensated for water that would be released and otherwise lost without compensation. The proposal was agreed to by all of the various agencies, and any ESA or SWB issues were avoided.
- Mr. O'Laughlin advised that the contract approved by the Board is in place and the fall pulse flow will begin on October 20, 2015.
- Although the agreement resolved 2015 flow requirements, Mr. O'Laughlin cautioned that it is likely the Districts will again be faced with similar issues next year barring a very strong winter.

The Board expressed concern over the unsustainable required river flows and the corresponding high probability of a near empty New Melones reservoir on an annual basis.

Susan Larson advised the Board that she Attended FERC Shoreline Management Conference in Bend, Oregon September 21-24, 2015. FERC Washington DC Staff attended, along with approximately 90 - 100 licensees from across the country. Tri-Dam (Larson) received a special commendation from DHAC Deputy Director.

**ITEM #6 GENERATION REPORT**

No discussion

**ITEM #7 FISHBIO**

No discussion

**RECESS TO TRI-DAM POWER AUTHORITY**

Director Holbrook moved to recess to the Tri-Dam Power Authority Board of Commissioners Meeting at 10:44 A.M. Director Bairos seconded the motion. The motion passed 10-0.

The Project meeting resumed at 10:48 A.M.

**ITEM #8 CLOSED SESSION**

GM Berry announced before closed session that the following items would be discussed:

8. a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (Multiple potential cases)
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Pursuant to Section 54956.8  
Property: APN's 064-029-062 and 064-029-063  
Agency Negotiator: General Manager and License Compliance Coordinator  
Negotiating Parties: Tri-Dam Project and Dan Holman  
Under Negotiation: Price and Terms
- c. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9 - 1 case
- d. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Paragraph (1) of subdivision (d) of Section 54956.9) - 3 cases
  1. Tri-Dam Project v. Keller
  2. Tri-Dam Project v. Michael, et al.
  3. Tri-Dam Project v. Yick
- e. CONFERENCE WITH LABOR NEGOTIATOR  
Pursuant to Section 54957.6  
Agency Negotiator: General Manager and Finance Manager  
Employee Organization: IBEW and Unrepresented Employees

President Holmes announced out of closed session under 8b on a motion by Director Kuil and seconded by Director Webb and approved 10-0, to purchase real property APN's 064-029-062 and 064-029-063 pursuant to title clearing.

***ITEM #9 DIRECTOR COMMENTS***

None.

***ADJOURNMENT***

Director Doornenbal moved to adjourn the Tri-Dam Project regular meeting. Director Holbrook seconded the motion. The motion passed 10-0.

President Holmes adjourned the Tri-Dam Project Board of Directors meeting at 11:59 A.M.

The next Regular Board meeting is scheduled for November 19, 2015, at Oakdale Irrigation District in Oakdale, California beginning at 9:00 A.M.

ATTEST:

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Ron Berry  
Secretary, Tri-Dam Project