

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

April 17, 2014
Oakdale, 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 Oakdale Irrigation District located in Oakdale, 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 Chairman Webb.

OID DIRECTORS

SSJID DIRECTORS

DIRECTORS PRESENT:

FRANK CLARK
AL BAIROS, JR.
STEVE WEBB
HERMAN DOORNENBAL

BOB HOLMES
JOHN HOLBROOK
RALPH ROOS
DALE KUIL

DIRECTORS ABSENT:

JACK ALPERS; DAVE KAMPER

ALSO PRESENT:

Jeff Shields, General Manager, SSJID; Bill Paris, Counsel, OID; Rick Dodge, Finance Manager and Secretary, Tri-Dam Project; Susan Larson, License Compliance Coordinator, Tri-Dam Project; Genna Modrell, Finance Asst., Tri-Dam Project; Ron Berry, Operations Supervisor, Tri-Dam Project; Tom Ruhl, Maintenance Supervisor, Tri-Dam Project; Brian Nash, Richardson & Co.

PUBLIC COMMENT

None

ITEM #1 REVIEW AND APPROVE MINUTES OF THE REGULAR MEETING

Chairman Webb presented the March 20, 2014 Minutes of the Regular Board meeting. Director Clark moved to approve the March 20, 2014 Minutes of the Regular Board meeting as presented. The motion was seconded by Director Holbrook. The motion passed unanimously.

ITEM #2 REVIEW AND APPROVE MINUTES OF THE SPECIAL MEETING

Chairman Webb presented the April 4, 2014 Minutes of the Special Board meeting. Director Clark moved to approve the April 4, 2014 Minutes of the Special Board meeting as presented. The motion was seconded by Director Roos. The motion passed unanimously.

ITEM #3 PRESENTATION BY RICHARDSON & CO., 2013 AUDITED FINANCIALS

Brian Nash from Richardson & Co. presented Tri-Dam Project's 2013 audited financial statements, noting that his firm has issued a clean opinion. Mr. Nash also discussed Tri-Dam's significant accounting policies during the year, which included the accounting for the Beardsley recreation improvements required by FERC, and the corresponding treatment of the grant revenue for the boat launch portion of the improvements. Mr. Nash also noted the drought footnote added to this year's financial statements, along with a comment regarding the new power sale agreement with Silicon Valley Power. Finally, Mr. Nash discussed GASB 68, which will require a more comprehensive disclosure of pension liabilities, beginning with the 2015 financial statements. Mr. Nash noted that the audit went well, and expressed favorable comments regarding Tri-Dam's internal controls.

Director Holbrook moved to accept Tri-Dam's 2013 audited financial statements. Director Bairos seconded the motion. The motion passed unanimously.

ITEM #4 FINANCIAL MATTERS

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the March financial statements and advised that the Project recorded a \$199,000 profit for the month, although power generation continues to significantly lag budgeted and historical levels. Mr. Dodge also noted that Tri-Dam has received almost all renewable energy credits due from Shell Energy from 2013. Mr. Dodge also discussed expense variances, including a significant variance with regard to the Donnelis and Tulloch spillway analyses performed by HDR Engineering.

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 Roos moved to approve the financial statements and statement of obligations. Director Bairos seconded the motion. The motion passed unanimously.

ITEM #5 PRESENTATION AND DISCUSSION OF HOLMAN PROPERTY OFFER

License Compliance Coordinator Larson provided an update on Mr. Holman's offer to sell his marina property and of the discussions during the prior Board meeting and prior two Advisory Committee meetings. The Board engaged in a lengthy discussion of the various

components of the property being offered for sale, the pros and cons of the property, and the options available to Tri-Dam to satisfy the FERC requirement if the subject property is not acquired. Specific terms of the potential purchase were deferred to closed session.

ITEM #6 DISCUSSION & POSSIBLE ACTION OF EMPLOYEE HOUSING POLICY EXCEPTION

Operations Supervisor Berry requested an exception to the current housing policy to allow the current resident to remain upon commencement of his announced retirement on May 31, 2014.

Director Holmes moved to approve the exception and requested Mr. Berry to work with Counsel Paris to develop a one-year lease agreement and board resolution. Director Doornenbal seconded the motion. The motion passed unanimously.

ITEM #7 PURCHASE AUTHORIZATIONS

Finance Manager Dodge briefly reviewed the details of the purchase authorizations presented for the Board's approval.

- a. 2014.04.01 China Flat Furnishings (Kiosk, Bearsaver bins, Picnic Tables and Benches) – Beardsley Rec Improvements

Director Holbrook moved to approve. Director Clark seconded the motion. The motion passed unanimously.

ITEM #8 BEARDSLEY REC IMPROVEMENTS – PHASE II UPDATE

Bids were received on April 2, 2014. After the bids were conformed, it was determined the lowest responsive bidder Contractor Services Group, Inc. of West Sacramento, CA. The recommendation to award Contractor Services Group the bid was approved by the Board on April 4, 2014 for the amount of \$107,225. An Additive Bid was not awarded due to the cost. The Additive Bid will be placed on hold until further communications with the USFS can be conducted.

The Notice to Award was issued on April 10, 2014 to Contractor Services Group, Inc. (CSG) The Notice to Proceed is planned to be issued on April 17, 2014 after the receipt of the Bonds and Insurance Certificates. The Pre-Construction Kick-off meeting will be held on April 22, 2014. Contractor Services Group, Inc. will begin mobilization on April 21, 2014. Construction is scheduled to start on April 29, 2014.

ITEM #9 PROJECT STAFF REPORTS

Operations Supervisor Berry provided an update on the water situation and District usage. Mr. Berry noted that all three units are running at full capacity at Tulloch in response to the USBR / Stanislaus Operating Group order to maintain the river at 2,500 CFS. Mr. Berry noted that even with full generation, significant spill of 1,400 CFS is occurring. Various Board members expressed their disappointment that such significant river flows would be ordered in a severe drought year.

Maintenance Supervisor Ruhl gave a follow up presentation on the excessive corrosion due to the lack of epoxy coating inside the intake piping on Tulloch Unit 3. Mr. Ruhl highlighted portions of the contract specifications and advised he will be obtaining quotes for the cost to apply a coating. He also advised that he will contact MWH to further discuss the matter.

ITEM #10 GENERATION AND POWER MARKETING REPORT

Mr. Dodge gave a brief review of the generation and revenue report.

ITEM #11 FISHBIO

Mr. Dodge gave a brief review of the March report submitted by FISHBIO.

RECESS TO TRI-DAM POWER AUTHORITY

Director Clark moved to recess to the Tri-Dam Power Authority Board of Commissioners Meeting at 10:43 A.M. Director Kuil seconded the motion. The motion passed unanimously.

The Project meeting resumed at 10:49 A.M.

ITEM #12 CLOSED SESSION

- a. Public Employee Appointment – General Manager
Pursuant to Section 54957
- b. Conference with legal counsel – Existing Litigation
Pursuant to subdivision (c) 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
- c. Conference with legal counsel – Existing Litigation
Subdivision (a) of Section 54956.9
Proceeding before the Federal Energy Regulatory Commission entitled,
“Tri-Dam Project No. 2067-040 – Shoreline Management Plan.”
- d. Conference with Real Property Negotiators, Pursuant to Section 54956.8
Property: APN’s 064-029-062 and 064-029-063
Agency Negotiators: Ron Berry
Negotiating Parties: Tri-Dam Project and Merle Holman
Under Negotiation: Price and Terms of payment
- e. Conference with Real Property Negotiators, Pursuant to Section 54965.8
Property: Water
Agency Negotiators: Rick Dodge, Ron Berry
Negotiating Parties: Tri-Dam Project and Cal Asbestos Monofill
Under Negotiation: Price and Terms of payment

Chairman Webb reported out of closed session that the board agreed to extend the original Cal Asbestos Monofill contract to September 2020.

ITEM #13 DIRECTOR COMMENTS

None.

ADJOURNMENT

Chairman Webb adjourned the Tri-Dam Project Board of Directors meeting 11:55 A.M.

The next Regular Board meeting is scheduled for May 15, 2014, at the South San Joaquin Irrigation District in Manteca, California beginning at 9:00 A.M.

ATTEST:

Rick Dodge
Secretary, Tri-Dam Project