

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

July 22, 2015
Strawberry, 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 Tri-Dam Project located in Strawberry, 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 special meeting was called to order at 9:00 A.M. by President Webb.

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: NONE

ALSO PRESENT:

Ron Berry, General Manager and Secretary, Tri-Dam Project; Rick Dodge, Finance Manager, Tri-Dam Project; Tom Ruhl, Maintenance Supervisor, Tri-Dam; 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, SSJID; Bere Lindley, Finance Manager, SSJID; Tim O'Laughlin, Counsel, OID; Troylene Vallow, Communications Coordinator, SSJID; David Lyghtle, MHD Group; Thom Hardie, Lead Operator, Tri-Dam; Troy Hammerbeck, Machinist, Tri-Dam

PUBLIC COMMENT

None

ITEM #1 REVIEW AND APPROVE MINUTES OF THE REGULAR MEETING

President Webb presented the June 18, 2015 minutes of the Regular Board meeting. Director Holmes moved to approve the June 18, 2015 minutes of the Regular Board meeting as presented. The motion was seconded by Director Clark. The motion passed 10-0.

ITEM #2 FINANCIAL MATTERS

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the June financial statements, noting net revenues of \$1.7 million, with a corresponding increase in cash and investments of \$1.3 million for the month.

Dodge also advised the Board of the change in CalPERS' methodology regarding payments for the Project's unfunded liability. Dodge recommended that the Project make a lump sum payment totaling \$179,260 for the 2015/2016 fiscal year to take advantage of an approximate 3.5 percent discount. Director Holmes moved to approve the lump sum payment in the amount of \$179,260. Director Bairos seconded the motion. The motion passed 10-0.

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

ITEM #3 APPROVE RESOLUTION 2015.04 DISTRIBUTION OF FUNDS

Finance Manager Dodge presented the Project cash and reserve balances as of June 30, 2015. The analysis based on TDP Resolution 2013-01 establishes a distribution to the Districts in the amount of \$1,894,000 each.

Director Kuil moved to approve the distributions. Director Bairos seconded the motion. The motion passed 10-0.

ITEM #4 APPROVE ONE-YEAR EXTENSION OF INDEPENDENT AUDITOR

Finance Manager Dodge discussed the performance of the current independent financial auditor and the costs of retaining a new firm, and recommended a one-year extension for Richardson and Company. The one-year extension would coincide with the existing terms of Richardson's separate engagements with OID and SSJID.

Director Doornenbal moved to approve a one-year extension for Richardson and Company. Director Holbrook seconded the motion. The motion passed 10-0.

ITEM #5 APPROVE PURCHASE AUTHORIZATIONS

- a. 2015.07.01 HDR 2015 FERC Cultural Resources Projects

Director Holbrook moved to approve HDR 2015 Cultural Resource Projects for \$24,250 for Donnells/Beardsley and \$21,970 for Tulloch. Director Bairos seconded the motion. The motion passed 10-0.

b. 2015.07.02 Roof Replacement – Beardsley Powerhouse

Director Bairos moved to approve the roof replacement by King's Roofing for \$51,180. Director Kamper seconded the motion. The motion passed 10-0.

c. 2015.07.03 Upgrade Microwave Link from Strawberry Peak

Director Kuil moved to approve the microwave upgrade from Alcatel for \$52,517.96. Director Osmundson seconded the motion. The motion passed 10-0.

Maintenance Supervisor Ruhl addressed the Board regarding the withdrawal of a bid awarded to Redwood Painting for the painting of the Donnells spill gates. Redwood advised Mr. Ruhl that they are unable to meet the Project's deadline due to other commitments. Mr. Ruhl therefore requested that the Donnells spill gate painting job be awarded to the next lowest bidder, Jeffco Painting. Redwood advised Mr. Ruhl after the agenda for the July meeting had been posted. In response, President Webb requested a motion to add an emergency agenda item to award the Donnells spill gate painting to Jeffco. Director Holmes moved to add the Donnells spill gate painting job as an emergency agenda item. Director Bairos seconded the motion. The motion passed 10-0.

Upon discussion of Jeffco's qualifications and direction to staff to attempt to re-negotiate Jeffco's original bid, Director Holbrook moved to award the Donnells spill gate painting job to Jeffco Painting in an amount not to exceed their original bid of \$581,700. Director Osmundson seconded the motion. The motion passed 10-0.

ITEM #6 DISCUSSION AND POSSIBLE ACTION – STRAWBERRY FIRE DISTRICT REQUEST TO PURCHASE TRI-DAM PROPERTY

Lee Dempsey and Dan Good, representing the Strawberry Fire Protection District, addressed the Board regarding possibly selling or gifting two lots owned by Tri-Dam upon which the Strawberry firehouse is currently situated. After further discussion, concerns were raised regarding government code requirements and the disposal of property by sale or gift. Accordingly, the Board requested GM Berry and Compliance Coordinator Larson to work with Strawberry Fire and bring this item back in August.

ITEM #7 RESERVOIR MANAGEMENT

David Lyghtle, MHD Group provided an update on the Save the Stan media campaign, including billboard locations and radio spots. Director Holbrook raised concerns regarding the level of coordination and communication between MHD and the Districts in meeting the goals of the campaign. In response, Mr. Lyghtle stated that MHD will ensure that District and Tri-Dam staff input is taken into account through the remainder of the campaign. In response to a question from Director Kuil regarding the effectiveness of the campaign, Mr. Lyghtle acknowledged that public relations effectiveness is difficult to measure and primarily anecdotal in nature, but offered to bring statistics regarding website and Facebook activity to the next meeting among MHD, the Districts and Tri-Dam.

ITEM #8 DISCUSSION OF CLOUD SEEDING PROGRAM 2015/2016 WATER YEAR

GM Berry requested direction from the Board whether to pursue a cloud seeding program for the 2015/2016 water year. The Board directed staff to come back to the August meeting with additional information on cost, timelines and ground versus aerial effectiveness.

ITEM #9 STAFF REPORTS

No discussion

ITEM #10 GENERATION REPORT

No discussion

ITEM #11 FISHBIO

No discussion

RECESS TO TRI-DAM POWER AUTHORITY

Director Doornenbal moved to recess to the Tri-Dam Power Authority Board of Commissioners Meeting at 10:42 A.M. Director Holmes seconded the motion. The motion passed 10-0.

The Project meeting resumed at 10:46 A.M.

ITEM #12 CLOSED SESSION

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

- 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 LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9) - 4 cases
 1. Tri-Dam Project v. Keller
 2. Tri-Dam Project v. Michael, et al.
 3. Tri-Dam Project v. Yick
 4. Tri-Dam Project v. Holman
- 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 – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9
(Multiple potential cases)

- e. CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Section 54957.6
Agency Negotiator: General Manager and Finance Manager
Employee Organization: IBEW

President Webb announced out of closed session that no reportable action was taken.

ITEM #11 DIRECTOR COMMENTS

None

ADJOURNMENT

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

Chairman Webb adjourned the Tri-Dam Project Board of Directors meeting at 12:08 P.M.

The next Regular Board meeting is scheduled for August 20, 2015, at South San Joaquin Irrigation District in Manteca, California beginning at 8:00 A.M.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project