

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

July 21, 2016
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 regular meeting was called to order at 9:05 a.m. by President Webb.

OID DIRECTORS

STEVE WEBB
LINDA SANTOS
GAIL ALTIERI
GARY OSMUNDSON

SSJID DIRECTORS

DIRECTORS PRESENT:

RALPH ROOS
BOB HOLMES
JOHN HOLBROOK

DIRECTORS ABSENT:

HERMAN DOORNENBAL, DALE KUIL, DAVE KAMPER

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; Troy Hammerbeck, Interim Maintenance Supervisor, Tri-Dam Project; Bere Lindley, Assistant General Manager, SSJID; Peter Rietkerk, General Manager, SSJID; Steve Emerick, Counsel, SSJID

Public Comment

Steve Emerick announced that SSJID has filed its eminent domain case against PG&E.

ITEM #1 Review and approve minutes of the regular meeting

President Webb presented the June 16, 2016 minutes of the Regular Board meeting. Director Holbrook moved to approve the June 16, 2016 minutes of the Regular Board meeting. The motion was seconded by Director Webb. The motion passed: OID 4-0; SSJID 3-0.

ITEM #2 Financial Matters

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the June financial statements, noting net revenue of \$3.9 million for the month and \$16.7 million year to date. Mr. Dodge also advised the Board that a recent management review of the Project's capital

asset listing disclosed obsolete or non-existent assets that need to be removed from the Project's capital accounts. Although the majority of these assets have been fully depreciated, the removal of several assets not fully depreciated will result in a loss on disposition of approximately \$125,000. In addition, it was determined that several large assets were originally set up with unreasonably long useful life estimates. Adjusting these estimated useful lives downward will result in a one-time spike in depreciation expense of approximately \$600,000.

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: OID 4-0; SSJID 3-0.

ITEM #3 Review and possible approval of CalPERS annual lump sum payment 2016-17

Finance Manager Dodge reminded 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 \$207,432 for the 2016/2017 fiscal year to take advantage of an approximate 3.6 percent discount. Director Holbrook moved to approve the lump sum payment in the amount of \$207,432. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 3-0.

ITEM #4 Resolution TDP 2016-03 District Distribution

Finance Manager Dodge presented the Project's funds available for distribution as of June 30, 2016, totaling \$12.2 million (\$6,106,500 per District). Director Roos moved to approve the July 2016 distribution as presented. Director Webb seconded the motion. The motion passed with a roll call vote: OID 4-0; SSJID 3-0.

ITEM #5 Review and possible approval of FishBio proposal to perform fish tissue mercury analysis

Compliance Coordinator Larson presented the FishBio proposal and answered Director questions. Director Holmes moved to approve the FishBio proposal as presented. Director Webb seconded the motion. The motion passed: OID 4-0; SSJID 3-0.

ITEM #6 Purchase Authorizations

- a. 2016.07.01 Donnells Governor Air Compressor

GM Berry presented authorization 2016.7.01 and answered Director questions.

Director Holbrook moved to approve purchase of Donnells Governor Air Compressor as presented. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 3-0.

ITEM #7 Status update on New Melones operations for 2016

Peter Rietkerk reminded the Board that the updated Water Quality Control Plan is scheduled to be released in July or August.

ITEM #8 Mid-year Capital Improvement Plan update

Messrs. Berry, Dodge, Hammerbeck and Townsend discussed the year-to-date progress on the 2016 Capital Improvement Plan, noting those projects completed or awaiting annual outages to be finalized. Significant discussion surrounded the Donnells transformer replacement project, and staff advised the Board of the necessity to procure and install all three single-phase transformers at the same time during 2017. The RFP has been sent to four vendors, and bids are due back in one month. Staff answered Director questions pertaining to efficiencies, generation and the proposed timeline for the transformer replacement project.

ITEM #9 Request to amend existing water contract with California Asbestos Monofill from 30 acre feet to 120 acre

GM Berry advised that California Asbestos Monofill (CAM) will spend 18 months preparing the mine for permanent closure, and will need additional water for screening material and dust control; however, it is not yet known exactly how much additional water is needed. GM Berry will continue to work with CAM to determine the amount of water necessary, and negotiate an amendment to the existing contract to bring back to the Board for approval.

ITEM #10 Staff Reports

In addition to the written reports, GM Berry updated the Board regarding various staff changes within the operations and maintenance departments.

Operations Supervisor Townsend discussed last month's FERC inspections.

ITEM #11 Generation Report

GM Berry stated the last three months have been above average and we are running as a normal year.

ITEM #12 FishBio

No discussion.

Recess to Tri-Dam Power Authority

Director Holmes moved to recess to the Tri-Dam Power Authority Board of Commissioners Meeting at 10:10 a.m. Director Osmundson seconded the motion. The motion passed: OID 4-0; SSJID 3-0. The Project meeting resumed at 10:24 a.m.

ITEM #13 Closed Session

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

11. a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (1 case)
- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9) - 2 cases
 1. Tri-Dam Project v. Michael, et al.
 2. Tri-Dam Project v. Yick
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Section 54956.8
Property: Water
Agency Negotiator: General Manager
Negotiating Parties: Tri-Dam Project and California Asbestos Monofill
Under Negotiation: Water Transfer Price and Terms
- d. PUBLIC EMPLOYMENT
Section 54957
Maintenance Supervisor

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

ITEM #14 Director Comments

Director Holbrook thanked staff for the CIP update and getting projects done and/or scheduled.

Adjournment

Director Holbrook moved to adjourn the Tri-Dam Project regular meeting. Director Webb seconded the motion. The motion passed: OID 4-0; SSJID 3-0. President Webb adjourned the Tri-Dam Project Board of Directors meeting at 11:14 a.m.

The next Regular Board meeting is scheduled for August 18, 2016, at South San Joaquin Irrigation District in Manteca, California beginning at 9:00 a.m.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project