

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

May 18, 2017  
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 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 meeting was called to order at 9:00 a.m. by President Webb.

**OID DIRECTORS**

**SSJID DIRECTORS**

***DIRECTORS PRESENT:***

GAIL ALTIERI  
LINDA SANTOS  
STEVE WEBB  
HERMAN DOORNENBAL

JOHN HOLBROOK  
BOB HOLMES  
DAVE KAMPER  
DALE KUIL  
RALPH ROOS

***DIRECTORS ABSENT:***

GARY OSMUNDSON

***Also Present:***

Ron Berry, General Manager and Secretary, Tri-Dam Project; Rick Dodge, Finance Manager, Tri-Dam Project; Susan Larson, Compliance Coordinator, Tri-Dam Project; Genna Modrell, Finance Assistant, Tri-Dam Project; Troy Hammerbeck, Interim Maintenance Supervisor, Tri-Dam Project; Peter Rietkerk, General Manager, SSJID; Matt Weber, Counsel, Downey Brand; Valerie Kincaid, Counsel, O'Laughlin & Paris; Dave Lyghtle, MHD Group; Dave Ward, InterWest Insurance

***PUBLIC COMMENT***

None

***ITEM #1 Review and Approve Minutes of the April 20, 2017 Regular Meeting***

President Webb presented the April 20, 2017 minutes of the Regular Board meeting. Director Kuil moved to approve the April 20, 2017 minutes of the Regular Board meeting as presented. The motion was seconded by Director Altieri. The motion passed: OID 4-0; SSJID 5-0.

***ITEM #2 Financial Matters***

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

Finance Manager Dodge reviewed the April financial statements, noting net revenue of \$3.98 million for the month. Dodge noted the high level of "avoided generation," which totaled 11,500 MWh. Dodge also discussed various budget variances, including the monthly and year-to-date costs to repair damaged roads.

**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 as presented. Director Doornenbal seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

***ITEM #3 Consider approval of 2017 Insurance Renewal – Dave Ward, InterWest Insurance***

Dave Ward, InterWest Insurance, presented the insurance renewal process, including a discussion of Tri-Dam's coverages, premiums, and deductibles. Mr. Ward also discussed the high cost of an additional \$10.0 million of excess liability coverage required by the interconnection agreements between Tri-Dam, PG&E and the California Independent System Operator. Mr. Ward responded to various questions regarding Tri-Dam's coverage.

Director Holbrook moved to accept the proposal and to authorize GM Berry to bind property, liability, and workers' comp coverage as quoted, and to also accept bids with a premium of no more than \$75,000 for the additional \$10 million of excess liability coverage. Director Santos seconded the motion. The motion passed OID 4-0; SSJID 5-0.

***ITEM #4 Consider approval of Reserve Fund Investment Alternatives***

Finance Manager Dodge presented investment alternatives for review. FM Dodge discussed the difference between utilizing brokers to self-manage a portion of the Project's excess funds vs. the current practice of utilizing an investment adviser exclusively. FM Dodge provided a presentation and fielded questions regarding his qualifications and experience in managing a fixed income portfolio, the additional internal controls to be implemented, current market yields, and the performance characteristics and risks associated with a five-year agency bullet ladder.

Director Holmes moved to approve the proposal as presented and authorize FM Dodge to bring back more specifics, including potential broker/dealers for approval and a revised investment policy in June. Director Doornenbal seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

***ITEM #5 Consider approval to change one regular meeting location to Strawberry***

After a brief discussion, the Board agreed to move the July 20<sup>th</sup> meeting location to the Tri-Dam office in Strawberry, CA.

Director Altieri moved to approve moving the July 20<sup>th</sup> meeting to Strawberry. Director Kamper seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

***ITEM #6 Consider approval of purchase authorizations***

- a. 2017.05.01 2018 Water Truck – Cab, Chassis and Water Tank

GM Berry presented authorization 2017.05.01, recommending the purchase of a water truck and answered questions. Director Webb didn't feel there was a need for a water truck, and suggested we wait another year.

Director Holbrook moved to approve PA 2017.05.01 as presented. Director Santos seconded the motion. The motion failed: OID 2-2; SSJID 5-0, Directors Webb and Doornenbal voted no.

***ITEM #7 Consider approval of a General Manager salary increase (after closed session)***

After coming out of closed session, the Board discussed a salary increase for the General Manager. President Webb stated the review of the General Manager was positive. President Webb made a motion recommending a 5.0% increase. Director Holbrook seconded the motion. The motion passed OID 4-0, SSJID 4-1. Director Roos voted no.

***ITEM #8 Status update on New Melones operations including April – May Release, SWRCB Substitute Environmental Document (SED) 2016-2017 and emergency spillway status***

GM Berry advised that the Bureau of Reclamation would like to increase New Melones releases to result in flows below Goodwin Dam of up to 6,000 CFS. However, Berry advised that the Bureau agreed to hold off until repairs to the Tulloch Unit 3 access road are completed and tested.

Counsel Kincaid provided updates on various water issues impacting Tri-Dam and the Districts:

- The Bureau has set a September 30, 2017 goal of 1.94 million acre feet in New Melones. O'Laughlin & Paris is working on an operations letter to the Bureau and the State Water Board requesting "normal" operations by the end of 2017 stressing no high flows followed by low flows.
- O'Laughlin & Paris is in discussions with the Bureau and the Army Corps of Engineers to address the clean out of the New Melones emergency spillway.
- The Supplemental Environmental Document is expected to be finalized by the end of the year. It is anticipated that there will be no reconsideration and that State Water Board staff will include little to no revision from the draft SED.

Director Doornenbal advised that he has been questioned by constituents regarding the possibility of diverting enough water to avoid possible flooding. After discussion of various alternatives, it was agreed that any diversions large enough to impact the river are not possible.

***ITEM #9 Staff Reports***

GM Berry advised that while testing the Tulloch Dam spillway, the maintenance roadway to unit #3 built in 2012 incurred extensive damage. Staff is working to make repairs and ensure the spillway channel is available to accommodate needed releases to manage high runoff.

***ITEM #10 Generation Report***

No discussion.

**ITEM #11 FISHBIO**

No discussion.

**Recess to Tri-Dam Power Authority**

Director Webb moved to recess to the Tri-Dam Power Authority Board of Commissioners meeting at 11:07 a.m. Director Roos seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

The Project meeting resumed at 11:13 a.m.

**ITEM #12 Closed Session**

GM Berry announced before closed session that items a., b. and c. on the agenda would be discussed.

President Webb announced out of closed session that no action was taken other than action on item c. on the agenda (see Item 7 above).

**ITEM #13 Directors Comments**

No comments.

**ADJOURNMENT**

Director Kuil moved to adjourn the Tri-Dam Project regular meeting. Director Doornenbal seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

President Webb adjourned the Tri-Dam Project Board of Directors meeting at 11:35 A.M.

The next Regular Board meeting is scheduled for June 15, 2017, at South San Joaquin Irrigation District in Manteca, California beginning at 9:00 a.m.

ATTEST:

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Ron Berry  
Secretary, Tri-Dam Project