

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

June 15, 2017
Manteca, California

The Joint Boards of Directors of the Oakdale Irrigation District and the South San Joaquin Irrigation District met in joint session at the office of 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 meeting was called to order at 9:08 a.m. by President Kuil. President Kuil announced that Directors Doornenbal and Webb will be arriving late; therefore, no action will be taken until they arrive and a quorum is achieved. President Kuil announced that Item 7, Staff Reports, will be discussed first, followed by Items 8 and 9.

OID DIRECTORS

SSJID DIRECTORS

DIRECTORS PRESENT:

GAIL ALTIERI
LINDA SANTOS
STEVE WEBB arrived at 9:50
HERMAN DOORNENBAL arrived at 9:30

BOB HOLMES
DAVE KAMPER
DALE KUIL
RALPH ROOS

DIRECTORS ABSENT:

GARY OSMUNDSON
JOHN HOLBROOK

Also Present:

Ron Berry, General Manager and Secretary, Tri-Dam Project; Rick Dodge, Finance Manager, Tri-Dam Project; Peter Rietkerk, General Manager, SSJID; Bere Lindley, Assistant General Manager, SSJID; Tim O'Laughlin, Counsel, O'Laughlin & Paris; Dave Lyghtle, MHD Group

PUBLIC COMMENT

None

ITEM #7 Staff Reports

GM Berry provided an update on the progress on repairing Hells Half Acre Road, including the temporary re-route around the slide area. GM Berry also advised that the 4700 Road to Donnells Dam is not passable due to washouts at Bull Creek and Cascade Creek, and noted that Syblon Reid will be mobilizing on June 16th to begin repairs the following Monday. Once access to the Dam is re-gained, Tri-Dam will be closing the spill gates. Director Holmes inquired about the possibility of access to Donnells Dam from the old, now closed, road from Highway 108. GM Berry advised that he is in discussions with the Forest Service regarding the possibility of re-opening this road.

President Kuil asked that staff provide an estimate of the cost to repair the Project's second house at Tulloch Dam. President Kuil stated that the Project should either repair the house to a usable condition or tear it down.

ITEM #8 Generation Report

FM Dodge noted that the generation report includes an accounting estimate of 5,000 MWh of avoided generation due from Silicon Valley Power for the month of May. He advised that the estimate is primarily a result of “exceptional dispatch” curtailments from the California ISO, according to SVP. SVP is attempting to resolve this issue, and in the meantime Tri-Dam and SVP have agreed to invoice for actual generation only. Dodge suggested that further discussion should be deferred until the financial review later in the meeting.

ITEM #9 Fisheries Studies on the Lower Stanislaus River

Counsel O’Laughlin advised that FISHBIO’s preliminary non-native predation study has been sent to National Marine Fisheries Service for comment. He stated that hopefully the Districts will hear back from NMFS in July, at which time the permitting and final plan can then be submitted, with the final native fish recovery program in place by January of 2018.

Director Doornenbal arrived at 9:31 a.m. President Kuil announced that a quorum was now present and that the meeting would revert to Item 1 on the agenda.

ITEM #1 Review and Approve Minutes of the May 18, 2017 Regular Meeting

President Kuil presented the May 18, 2017 minutes of the Regular Board meeting. Director Roos moved to approve the May 18, 2017 minutes of the Regular Board meeting as presented. The motion was seconded by Director Santos. The motion passed: OID 3-0; SSJID 4-0.

ITEM #2 Financial Matters

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the May financial statements, noting net revenue of \$3.2 million for the month. Dodge and GM Berry discussed the potentially large dollar impact from exceptional dispatch, and that Tri-Dam expects to have SVP’s reconciliation tomorrow, June 16th. It appears that the exceptional dispatch may be attributable to over generation within the ISO’s grid, as the Donnell’s plant has been instructed by the ISO to limit generation at varying levels and times during May. Tri-Dam believes that any curtailment coming from the ISO must be auditable.

Dodge also discussed the significant costs incurred thus far on the repair of Hells Half Acre Road and the Tulloch Third Unit access road.

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 3-0; SSJID 4-0.

Director Webb arrived at 9:50 a.m.

ITEM #3 Consider Approval of Securities Dealers

FM Dodge presented three securities firms and the corresponding account representative for approval to engage in securities brokerage activity. Dodge reviewed each firm's basic financial condition and each account rep's FINRA BrokerCheck report and answered questions.

Director Doornenbal moved to approve the following resolutions:

- a. Resolution TDP 2017-04 Vining Sparks IBG, L.P.
- b. Resolution TDP 2017-05 Piper Jaffray & Co.
- c. Resolution TDP 2017-06 Morgan Stanley

Director Roos seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

ITEM #4 Consider Approval of Revisions to the Tri-Dam Investment Policy

Finance Manager Dodge presented revisions to Tri-Dam's investment policy. Dodge explained that the revisions are primarily to reflect the approval of new broker / dealers, the addition of several new internal controls necessary for managing the investment portfolio internally, and the elimination of several permissible investments that are not considered necessary.

Director Roos moved to approve the proposed changes to the investment policy as presented. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

ITEM #5 Consider Approval of Proposed FISHBIO Budget Revision – Stanislaus River Native Fish Plan

Counsel O'Laughlin gave an overview of the Stanislaus River Native Fish Plan, previously discussed during the FISHBIO report. O'Laughlin advised that the Districts have told Congress that the Districts will do the work and pay for the plan. NMFS is not significantly involved in the project but will be reviewing the Districts (FISHBIO's) work. O'Laughlin advised that this budget revision for an additional \$350,000 is for the study only, and that the total costs of the project will likely exceed \$500,000 if the plan is pursued to completion.

Director Santos expressed concern that the Districts spend a lot of money on river habitat studies that often appear to go nowhere. Mr. O'Laughlin acknowledged Director Santos' concerns, but stated that there is little to no information on non-native predation on the Stanislaus, and that the goal of the program is to build a foundation and baseline for predation activity. Mr. O'Laughlin stated that the database has to begin somewhere, and if the Districts don't fund the plan nothing will get done on predation.

Director Roos moved to approve the proposed budget revision as presented. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

ITEM #6 New Melones Update

Counsel O'Laughlin provided brief updates on the following issues impacting the Districts and New Melones:

- a. The New Melones emergency spillway letter has been sent to the USBR. A spillway chute analysis is necessary.
- b. Tri-Dam will be receiving a letter from the DWR's Division of Safety of Dams requesting that all Tri-Dam spillways be inspected and a seismic analysis be performed by the Fall of this year.

- c. Lake Tulloch and New Melones reservoirs have been identified by the Statewide Mercury Control Program, administered by the SWRCB, as being impacted by mercury. Although the levels of mercury are relatively minimal, they have been determined to be at a reportable level. Mr. O’Laughlin stated that the mercury control program is being monitored by the San Joaquin Tributaries Authority, and commented that there is little that can be done with Lake Tulloch since it is an afterbay of the much larger New Melones.
- d. Settlement discussions continue with the USBR on a revised plan of operations. The revised plan could play into re-consultation of the biological opinion. The Bureau has indicated that it would like a “normal” operations plan, which would be beneficial to the Districts.

Recess to Tri-Dam Power Authority

Director Doornenbal moved to recess to the Tri-Dam Power Authority Board of Commissioners meeting at 10:34 a.m. Director Roos seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

The Tri-Dam Project meeting resumed at 10:52 a.m. after a 10 minute break after the Tri-Dam Power Authority meeting adjourned.

ITEM #10 Closed Session

GM Berry announced before closed session that item a. on the agenda would be discussed.

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

ITEM #11 Directors Comments

No comments.

ADJOURNMENT

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

President Kuil adjourned the Tri-Dam Project Board of Directors meeting at 11:04 a.m.

The next Regular Board meeting is scheduled for July 20, 2017, at Tri-Dam Project in Strawberry, California beginning at 9:00 a.m.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project