

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

July 20, 2017
Strawberry, 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 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 meeting was called to order at 9:02 a.m. by President Webb.

OID DIRECTORS

SSJID DIRECTORS

DIRECTORS PRESENT:

GAIL ALTIERI
LINDA SANTOS
STEVE WEBB
HERMAN DOORNENBAL

BOB HOLMES
DAVE KAMPER
JOHN HOLBROOK
RALPH ROOS

DIRECTORS ABSENT:

DALE KUIL

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, Maintenance Supervisor, Tri-Dam Project; Thom Hardie, Interim Operations Supervisor, Tri-Dam Project; Steve Emrick, Counsel, SSJID

PUBLIC COMMENT

None

ITEM #1 Review and Approve Minutes of the June 15, 2017 Regular Meeting

President Webb presented the June 15, 2017 minutes of the Regular Board meeting. Director Santos moved to approve the June 15, 2017 minutes of the Regular Board meeting as presented. The motion was seconded by Director Roos. The motion passed: OID 4-0; SSJID 4-0.

ITEM #2 Financial Matters

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the June financial statements, noting net revenue of \$5.1 million for the month. Dodge advised that June generation revenue partially reflects a favorable resolution to the prior month exceptional dispatch issue with Silicon Valley Power. Dodge also discussed the significant and ongoing costs for the repair of Hells Half Acre Rd. Director Holbrook questioned whether the Project has sufficient reserves to complete all of the repairs and capital projects planned for 2017.

Dodge stated that anticipated cash flow from operations should be sufficient, but reminded the board of a 2015 resolution that allowed for the purchase of one transformer at the Donnells powerhouse to be paid from the maintenance fund.

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. Dodge also stated that he has directed Highmark Capital Management to discontinue any reinvestment of maturing securities in anticipation of the approved in-house portfolio management program.

c) Review and Approve the Statement of Obligations

Finance Manager Dodge reviewed the monthly statement of obligations and responded to questions.

Director Doornenbal moved to approve the financial statements and statement of obligations as presented. Director Holmes seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

ITEM #3 Consider Approval of Resolution TDP 2017.07 District Distribution

Finance Manager Dodge presented the Project's funds available for distribution as of June 30, 2017, totaling \$20.639 million (\$10.3195 million per District). Director Kamper moved to approve the July 2017 distribution and Resolution TDP 2017.07 as presented. Director Doornenbal seconded the motion. The motion passed with a roll call vote: OID 4-0; SSJID 4-0.

ITEM #4 Consider Approval of Resolution TDP 2017.08 US Bank Custodial Account

Finance Manager Dodge advised that Union Bank has proposed a significant increase in custodial fees in response to the Project terminating its relationship with Highmark Capital Management. Dodge advised that U.S. Bank offers custodial services for significantly less than the new fees proposed by Union Bank, and requested that the Board approve Resolution TDP 2017.08 to establish a custodial account with U.S. Bank.

Director Holbrook moved to approve Resolution TDP 2017.08 as presented. Director Doornenbal seconded the motion. The motion passed with a roll call vote: OID 4-0; SSJID 4-0.

ITEM #5 Consider Approval of Revisions to the Tri-Dam Investment Policy

Finance Manager Dodge presented a minor revision to Tri-Dam's investment policy reflecting the addition of U.S. Bank as an approved custodian.

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

ITEM #6 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 \$248,055 for the 2017/2018 fiscal year in order to take advantage of an approximate 3.5% discount. Director Holbrook moved to approve the lump sum payment in the amount of \$248,055. Director Webb seconded the motion. The motion passed: OID 4-0;

SSJID 4-0.

ITEM # 7 Consider approval of purchase authorizations

- a. 2017.07.01 Upgrade Microsoft Exchange 2007 to Exchange 2016

GM Berry presented authorization 2017.07.01, recommending the upgrade of the Project's Microsoft Exchange software and answered questions.

Director Doornenbal moved to approve PA 2017.07.01 as presented. Director Holmes seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

- b. 2017.07.02 FERC Part 12D Inspections - HDR

GM Berry presented authorization 2017.07.02, recommending HDR to perform the inspections and complete the reporting.

Director Altieri moved to approve PA 2017.07.02 as presented. Director Holbrook seconded the motion. The motion passed: OID 4-0; SSJID 4-0.

ITEM #8 Status Update on New Melones operations and emergency spillway status

GM Berry advised the New Melones topped out at 2.185 million acre feet on July 6th. Berry also advised of the upcoming Lake Tulloch five-year draw down.

ITEM #9 Staff Reports

In addition to the written reports in the Directors' package, GM Berry announced that Troy Hammerbeck is the new Maintenance Supervisor. Berry also advised that staff is reviewing documentation concerning the design and construction of the Tulloch Unit 3 maintenance roadway.

ITEM #10 Generation Report

No discussion.

ITEM #11 Fisheries Studies on the Lower Stanislaus River

No discussion.

ITEM #12 Directors Comments

Director Holbrook commended staff for all their hard work on the emergency road repairs.

ADJOURNMENT

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

President Webb adjourned the Tri-Dam Project Board of Directors meeting at 10:15 a.m.

The next Regular Board meeting is scheduled for August 17, 2017, at South San Joaquin Irrigation District in Manteca, California beginning at 9:00 a.m.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project