

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

May 19, 2016
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 the 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 regular meeting was called to order at 9:03 A.M. by President Webb.

OID DIRECTORS

STEVE WEBB
LINDA SANTOS
GAIL ALTIERI
GARY OSMUNDSON
HERMAN DOORNENBAL

DIRECTORS PRESENT:

SSJID DIRECTORS

DALE KUIL
DAVE KAMPER
JOHN HOLBROOK
BOB HOLMES

DIRECTORS ABSENT:
RALPH ROOS

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; Steve Knell, General Manager, OID; Kathy Cook, CFO, OID; Peter Rietkerk, General Manager, SSJID; Bere Lindley, Assistant General Manager, SSJID; Tim O'Laughlin, Counsel, OID; Dave Ward, InterWest Insurance, Brian Nash, Richardson and Company

Public Comment

No public comment.

ITEM #1 Review and approve minutes of the regular meeting

President Webb presented the April 21, 2016 minutes of the Regular Board meeting. Director Kuil moved to approve the April 21, 2016 minutes of the Regular Board meeting. The motion was seconded by Director Santos. The motion passed: OID 5-0; SSJID 4-0.

ITEM #2 Financial Matters

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the April financial statements, noting net revenue of \$3.4 million for the month and \$8.5 million year to date. Mr. Dodge also gave an overview of the implementation of GASB 68, which requires that Tri-Dam's unfunded pension liability of \$3.9 million, as calculated by CalPERS, be reflected in the financial statements. April is the first month that the pension liability and related deferred outflows and inflows is reflected in Tri-Dam's internal financial statements.

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 Holmes moved to approve the financial statements and statement of obligations. Director Doornenbal seconded the motion. The motion passed: OID 5-0; SSJID 4-0.

ITEM #3 Consider approval of the 2015 Audited Financial Statements – Presentation by Richardson and Company

Brian Nash from Richardson & Co. presented Tri-Dam Project's 2015 audited financial statements, noting that his firm has issued an unqualified opinion. Mr. Nash reviewed the scope of the engagement, and discussed Tri-Dam's significant accounting policies and estimates. Mr. Nash also gave an overview of GASB 68 and the required 2015 disclosure of Tri-Dam's pension liability. Mr. Nash advised that there were no difficulties or issues encountered during the audit and that the Project's accounting records are very clean.

Director Kamper moved to accept Tri-Dam's 2015 audited financial statements. Director Doornenbal seconded the motion. The motion passed OID 5-0; SSJID 4-0.

Recess to Tri-Dam Power Authority

Director Holmes moved to recess to the Tri-Dam Power Authority Board of Commissioners Meeting at 9:40 A.M. Director Holbrook seconded the motion. The motion passed: OID 5-0; SSJID 4-0.

The Project meeting resumed at 9:50 A.M.

ITEM #4 Review and approval 2016 Insurance Renewal – Dave Ward, InterWest Insurance

Dave Ward, InterWest Insurance, presented the insurance renewal process, including a discussion of Tri-Dam's coverages and deductibles, including that this is the third consecutive year our premium has decreased substantially. Mr. Ward responded to various questions regarding Tri-Dam's coverage.

Director Holbrook moved to approve the insurance renewal and to authorize GM Berry to place coverage through InterWest. Director Doornenbal seconded the motion. The motion passed OID 5-0; SSJID 4-0.

ITEM #5 Review and discussion of Tulloch Day Use Area – Conceptual plans prepared by HDR.

Presentation of concept plans for both sites owned by Tri-Dam was done, with a brief discussion of follow up actions.

ITEM #6 Review and possible action regarding Strawberry Fire Department, 28217 Tanager Drive, Strawberry, CA. Adoption of Surplus Land Resolution and follow up actions

Director Holbrook moved to approve Resolution TDP 2016-02 as presented and directed staff to proceed. Director Doornenbal seconded the motion. The motion passed OID 5-0; SSJID 4-0.

ITEM #7 Review and possible action regarding Tulloch permitted fees. Consideration of a new processing fee for personal watercraft port replacement

License Compliance Coordinator Larson provided a summary of the staff report, and change to the current Shoreline Management Plan (SMP), which would allow personal watercraft ports not to exceed 70 square feet in size rather than the current standard of 50 square feet. Although FERC has not yet adopted the new SMP, Tri-Dam has received a number of calls from property owners seeking to replace their ports with larger ports, once adopted. Staff would like to have an application fee in place, and the proposed fee would be for projects seeking no other changes beyond personal watercraft port replacement.

Director Holbrook moved to approve staff recommendation of \$150.00 permit fee to replace personal watercraft ports only. Director Santos seconded the motion. The motion passed OID 5-0; SSJID 4-0

ITEM #8 Consider approval to change the July 21st meeting location from Oakdale to Strawberry, CA

GM Berry reminded Directors that a meeting is held once a year in Strawberry, CA and proposed the July meeting be held in Strawberry. The Board also confirmed that the August meeting will be held at South San Joaquin Irrigation District offices.

Director Doornenbal moved to approve the location change to Strawberry, CA. Director Holbrook seconded the motion. The motion passed OID 5-0; SSJID 4-0.

ITEM #9 Review and consider approval of General Manager salary increase

Director Holbrook stated the review of the General Manager was positive. Director Holmes made a motion recommending a 5.0 percent increase, retroactive to the anniversary date of April 29, 2016. Director Santos seconded the motion. The motion passed OID 5-0, SSJID 4-0.

ITEM #10 Status update on New Melones operations for 2016

Tim O’Laughlin advised that the previously agreed upon 75,000 AF of water has been released via the Temporary Urgency Change Order (TUCP). He advised that several issues still need to be resolved regarding measurements and accounting for the water, including water released from New Melones from last year to the present, and whose water rights the released water falls under. Although the accounting for this water is complex, Mr. O’Laughlin advised that the districts and the USBR have developed a good model to address the various issues, and will be presenting the model in the near future.

Mr. O’Laughlin also advised that under the TUCP depletions are much higher at Vernalis than was projected when the TUCP was filed. USBR therefore needs an additional 30,000 AF to meet flow requirements through June. The Bureau has acknowledged they have no water in New Melones and have requested a “loan” of 30,000 AF for 15-20 days. Director Webb expressed concerns that this somewhat negates our dry year water guarantee.

Mr. O’Laughlin advised that end-of-month September storage in New Melones should be approximately 415,000 AF; therefore, no additional call for water from the districts should be needed to meet October pulse flows.

Finally, Mr. O’Laughlin discussed a potential water transfer of 10,000 AF to Stockton East Water District. Terms and conditions will be finalized by the districts at their respective board meetings.

ITEM #11 Staff Reports

Ms. Larson provided a brief report regarding the land slide associated with a waterfront property within the Lake Tulloch Shores/Poker Flat Subdivision. She advised that other current items are noted in the Board packet.

ITEM #12 Generation Report

No discussion

ITEM #13 FishBio

The board discussed the FishBio report, noting little to no correlation between Stanislaus River flows and fish counts / migration.

ITEM #14 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 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 action was taken.

ITEM #15 Director Comments

Director Holbrook commended staff on a good audit.

Adjournment

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

President Webb adjourned the Tri-Dam Project Board of Directors meeting at 11:18 A.M.

The next Regular Board meeting is scheduled for June 16, 2016, at South San Joaquin Irrigation District in Manteca, California beginning at 9:00 A.M.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project