

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

April 20, 2017
Manteca, 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 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 9:00 a.m. by President Kuil.

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; Tim Townsend, Operations Supervisor, Tri-Dam Project; Troy Hammerbeck, Interim Maintenance Supervisor, Tri-Dam Project; Steve Knell, General Manager, OID; Matt Weber, Counsel, Downey Brand; Tim O’Laughlin, Counsel, O’Laughlin & Paris; Dave Lyghtle, MHD Group; David Alvey, Maze & Associates

PUBLIC COMMENT

None

ITEM #3 2016 Audited Financials presented by Maze & Associates

David Alvey from Maze & Associates presented Tri-Dam Project’s 2016 audited financial statements, noting that his firm has issued an unqualified opinion. Mr. Alvey discussed Tri-Dam’s significant accounting policies and estimates. Mr. Alvey also advised that a restatement was made regarding 2015 GASB 68 reporting of Tri-Dam’s deferred outflows and deferred inflows related to pensions, as calculated by the prior auditors. The net effect of the correction was an increase in the Project’s net position of \$1.26 million. Mr. Alvey advised that there were no difficulties or issues encountered during the audit and that the Project’s accounting records are very clean.

Director Holbrook moved to accept Tri-Dam’s 2016 audited financial statements as presented. Director Santos seconded the motion. The motion passed OID 4-0; SSJID 5-0.

Recess to Tri-Dam Power Authority

Director Webb moved to recess to the Tri-Dam Power Authority Board of Commissioners meeting at 9:10 a.m. Director Holbrook seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

The Project meeting resumed at 9:20 a.m.

ITEM #1 Review and Approve Minutes of the March 16, 2017 Regular Meeting

President Kuil presented the March 16, 2017 minutes of the Regular Board meeting. Director Holmes moved to approve the March 16, 2017 minutes of the Regular Board meeting as presented. The motion was seconded by Director Santos. 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 March financial statements, noting net revenue of \$4.1 million for the month and \$11.3 million for the quarter. Dodge also discussed the negative variance to budget in the maintenance department, which is entirely attributable to the emergency road repairs caused by the heavy winter storms.

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.

After a brief discussion regarding the investment portfolio and the possibility of bringing this in-house, Director Kuil requested that a proposal be brought to the May meeting.

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 Altieri seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

ITEM #4 Review and consider approval of Purchase Authorizations

a. 2017.04.01 Capacitive Voltage Transformer – ABB

GM Berry presented authorization 2017.04.01, recommending ABB to ensure uniformity throughout our system and answered questions.

Director Kamper moved to approve PA 2017.04.01 as presented. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

b. 2017.04.02 Dump Truck – Cab, Chassis and Dump Box

GM Berry presented authorization 2017.04.02, recommending Pape Kenworth and the Rancho dump box.

Director Holbrook moved to approve PA 2017.04.02 as presented. Director Santos seconded the motion. The motion passed: OID 3-1; SSJID 5-0. Director Doornenbal voted no.

c. 2017.04.03 Power Factor Test Set

GM Berry presented authorization 2017.04.03, recommending Megger.

Director Roos moved to approve PA 2017.04.03 as presented. Director Altieri seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

d. 2017.04.04 USFS Collection Agreement Donnells/Beardsley

GM Berry presented authorization 2017.04.04 and advised that FM Dodge had been working with USFS staff to reduce the original invoice pertaining to road closures due to storm damage. The original draft requested funding from Tri-Dam of \$103,000, a reduction from 2016 funding of \$129,000 due to the closure this year of several sites around Beardsley Reservoir.

Director Kamper moved to approve PA 2017.04.04 not to exceed \$95,090. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

e. 2017.04.05 Construction for Tulloch Boat Wash Station

Ms. Larson presented authorization 2017.04.05 advised final bids following an onsite meeting scheduled for April 25, 2017. Although staff has been occupied on upcountry projects, this project needs to be completed and finalized prior to Memorial Day weekend as to not interfere with the start of recreation season. The Grant requirements also specify that project completion, operation and final reporting be completed by July 2017.

Given the upcountry emergency projects, and time demands for this project, Staff is requesting that the Board authorize Staff to select a qualified, licensed contractor to perform the work, following onsite review and final bidding, at a price not to exceed \$33,000.

Director Holmes moved to approve PA 2017.04.05 not to exceed \$33,000. Director Santos seconded the motion. The motion passed: OID 4-0; SSJID 5-0.

ITEM #5 Status update on New Melones operations including April – May Release, SWRCB Substitute Environmental Document (SED) 2016-2017 and emergency spillway status

Counsel O’Laughlin provided an update on various water issues impacting Tri-Dam and the Districts:

- The Districts will be sending an operations plan to the Bureau of Reclamation. While it is expected that New Melones will not spill this year, it may be close and releases through the plant will be significant.
- In view of the heavy precipitation year and the problems at Oroville Dam, the Districts will be sending a letter to Reclamation advising that the emergency spillway at New

Melones needs to be cleaned out. If the spillway needs to be used, heavy debris flow and downstream damage will likely occur if it is not first cleaned out.

ITEM #6 Staff Reports

Operations Supervisor, Tim Townsend announced his resignation effective April 28, 2017.

GM Berry advised that Staff and Tri-Dam's engineering consultant have reviewed the draft engineering prints for the Donnells transformers and sent comments back to SPX/Waukesha. Final prints should be complete by April 25. At this time, we are on schedule to receive four single-phase transformers in early August 2017.

GM Berry advised that Staff is preparing for the Project's 5 year Part 12D and Potential Failure Mode Analysis inspections and report.

GM Berry reminded directors of the upcoming ACWA Spring conference in May, and the 2017 HydroVision conference in June.

ITEM #7 Generation Report

FM Dodge reviewed the generation report and discussed the addition of "avoided generation," which represents what we would have generated had we not been requested to spill by Silicon Valley Power.

ITEM #8 FISHBIO

No discussion.

ITEM #9 Directors Comments

No comments.

ITEM #10 Closed Session

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

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

ADJOURNMENT

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

President Kuil adjourned the Tri-Dam Project Board of Directors meeting at 11:25 A.M.

The next Regular Board meeting is scheduled for May 18, 2017, at Oakdale Irrigation District in Oakdale, California beginning at 9:00 a.m.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project