

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

February 18, 2016
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 the 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 regular meeting was called to order at 9:00 A.M. by President Holmes.

OID DIRECTORS

SSJID DIRECTORS

DIRECTORS PRESENT:

HERMAN DOORNENBAL
LINDA SANTOS
GAIL ALTIERI
GARY OSMUNDSON
STEVE WEBB

BOB HOLMES
DAVE KAMPER
JOHN HOLBROOK
RALPH ROOS
DALE KUIL

DIRECTORS ABSENT:

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, Tri-Dam Project; Steve Knell, General Manager, OID (*arrived 9:06am*); Peter Rietkerk, General Manager, SSJID (*arrived 9:04am*); Steve Emrick, General Counsel, SSJID (*arrived 9:03am*); Bere Lindley, Assistant General Manager, SSJID; Ken Robbins, Water Counsel (*arrived 9:04am*); Troy Hammerbeck, Interim Maintenance Supervisor, Tri-Dam Project

PUBLIC COMMENT

No public comment.

ITEM #1 REVIEW AND APPROVE MINUTES OF THE REGULAR MEETING

President Holmes presented the January 21, 2016 minutes of the Regular Board meeting. Director Holmes noted page 1 should include Ken Robbins, Water Counsel, in attendance and item 2a should indicate December instead of November. Director Webb moved to approve the January 21, 2016 minutes of the Regular Board meeting with the noted corrections. The motion was seconded by Director Holbrook. The motion passed: OID 5-0; SSJID 5-0.

ITEM #2 FINANCIAL MATTERS

a) Review and Approve the Financial Statements

Finance Manager Dodge reviewed the January financial statements, noting a net revenue of \$1.1 million for the month. Director Roos questioned several items in the expense vs. budget report, and a general discussion ensued regarding encumbrances and account titles within the report, along with how labor overhead is allocated within the Springbrook accounting system.

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

ITEM #3 REVIEW AND POSSIBLE ACTION REGARDING UPDATING TULLOCH APPLICATION FEES

License Compliance Coordinator Larson provided a brief review of the Board’s directives regarding the permit fees for projects at Tulloch, as delineated in the agenda staff report for this item. Staff held public comment on February 9, 2016 and received unanimous support from the subdivisions for a performance appraisal deposit. Fees were supported by a fee analysis survey, attached to the report.

Director Kamper made a motion to increase the permit fees as follows, to become effective February 18, 2016:

a. New facilities	\$1,500.00
b. Additions to existing facilities	\$ 750.00
c. Pre-Application consultation	
(2-3 Hours)	\$ 250.00
(4-5 Hours)	\$ 500.00
d. Performance/completion deposit	\$3,000.00
e. Extension of time	\$ 150.00

Director Webb seconded the motion. The motion passed: OID 5-0; SSJID 5-0.

ITEM #4 APPROVE PURCHASE AUTHORIZATIONS

- a. TDP 2016.2.01 Electric Power Systems – WECC/NERC 2016 Compliance

GM Berry presented authorization 2016.2.01 and answered Director questions.

Director Webb moved to approve Electric Power Systems as presented. Director Kuil seconded the motion. The motion passed: OID 5-0; SSJID 5-0.

ITEM #5 BEARDSLEY AFTERBAY PRESENTATION BY STAFF

Operations Supervisor Townsend presented the Board with the current leakage conditions and updated the Board on the recommendation of the Division of Safety of Dams to repair the Beardsley Afterbay Dam. Director Webb recommended making the same repairs to the other side of the dam at the same time.

GM Berry advised that Tri-Dam had received the names of a number of qualified consulting firms from DSOD, and that he had obtained an estimate from Condor Earth Technologies, a local firm very familiar with District facilities, and on the approved consultants list. GM Berry presented the Condor estimate of \$138,000 to explore and inspect to provide a repair plan. Counsel Emrick advised that given the urgency and emergent nature of the needed repairs, that the item could be added as item 6, and acted upon by the Board.

Director Holbrook made a motion to add the Condor Earth Technologies proposal as an emergency item to the agenda. Director Santos seconded the motion. The motion passed: OID 5-0; SSJID 5-0.

ITEM #6 CONDOR EARTH TECHNOLOGIES

GM Berry presented the quote for phases 1 and 2 from Condor Earth Technologies for the Beardsley Afterbay Dam. Director Kuil made a motion to approve the proposal by Condor with a not to exceed amount of \$138,122. Director Altieri seconded the motion. The motion passed: OID 5-0; SSJID 5-0.

ITEM #7 STAFF REPORTS

Ken Robbins, Water Counsel, provided an update on state and local water issues. The updated forecasts are trending at 708,000 acre feet of runoff, while the Districts' usage will likely be approximately 480,000 to 500,000 acre feet, and possibly lower depending on District conservation efforts. Inasmuch as the Districts are entitled to the first 600,000 acre feet of inflow to New Melones, the difference between inflow and usage could then be put to beneficial use through water sales and/or transfers, rather than allowing the excess water to simply flow through the system and not be put to beneficial use. Staff is assessing this alternative. However, Mr. Robbins noted that any sale or transfer will require an action and approval by these two Boards. Mr. Robbins also noted that the Districts have a responsibility to operate the upper system for storage upstream of New Melones, and that this is simply a matter of exercising the Districts' water rights and operating the entire system as efficiently as possible, barring a "miracle March."

Compounding the problem, however, Mr. Robbins also discussed two regulatory issues that the Districts will face in the spring: 1) the Endangered Species Act and the required flows to avoid anadromous fish "take" issues, and 2) The D1641 water quality flow requirements at Vernalis. Mr. Robbins pointed out that these flow requirements will also be impacted by refill operations located at other San Joaquin River tributaries, and stated his belief that the Stanislaus will be asked to make up the shortfall through the Bureau of Reclamation's New Melones operations. As a result of the various demands on the river, and diminished New Melones storage, Mr. Robbins concluded that there is simply not enough water to meet all objectives and regulatory demands under the current forecast. Director Kamper questioned how much inflow is necessary to avoid these issues. Mr. Robbins estimated at least 900,000 acre feet, and possibly more.

GM Berry advised the Board that he would be on vacation March 4 – 12th.

ITEM #8 GENERATION REPORT

No discussion

ITEM #9 FISHBIO

No discussion

RECESS TO TRI-DAM POWER AUTHORITY

Director Kamper moved to recess to the Tri-Dam Power Authority Board of Commissioners Meeting at 11:09 A.M. Director Santos seconded the motion. The motion passed: OID 5-0; SSJID 5-0.

The Project meeting resumed at 11:13 A.M.

ITEM #10 CLOSED SESSION

GM Berry announced before closed session that the following items would be discussed:

11. a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (2 cases)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (2 cases)
- 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 Holmes announced out of closed session that no action was taken.

ITEM #11 DIRECTOR COMMENTS

None.

ADJOURNMENT

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

President Holmes adjourned the Tri-Dam Project Board of Directors meeting at 12:20 P.M.

The next Regular Board meeting is scheduled for March 17, 2016, at Oakdale Irrigation District in Oakdale, California beginning at 9:00 A.M.

ATTEST:

Ron Berry
Secretary, Tri-Dam Project