

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

February 20, 2020
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.

President Kamper called the meeting to order at 9:00 a.m.

OID DIRECTORS

SSJID DIRECTORS

DIRECTORS PRESENT:

TOM ORVIS
HERMAN DOORNENBAL
GAIL ALTIERI
BRAD DeBOER
LINDA SANTOS

DAVE KAMPER
RALPH ROOS
JOHN HOLBROOK
MIKE WESTSTEYN
BOB HOLMES

DIRECTORS ABSENT:

Also, Present:

Jarom Zimmerman, General Manager, Tri-Dam Project; Rick Dodge, Finance Manager, Tri-Dam Project; Genna Modrell, Finance Assistant, Tri-Dam Project; Susan Larson, License Compliance, Tri-Dam Project; Troy Hammerbeck, Maintenance Supervisor, Tri-Dam Project; Brian Belitz, Operations Supervisor, Tri-Dam Project; Kevin Ogg, Technician, Tri-Dam Project; Mia Brown, Counsel, SSJID; Steve Knell, General Manager, OID; Peter Rietkerk, General Manager, SSJID; John Mills, Chicken Ranch Rancheria Me-Wuk Indians of California

PUBLIC COMMENT

John Mills on behalf of Chicken Ranch Rancheria reminded the Board that one year ago the tribe declared an emergency regarding the water supply and advised that the local utility is unable to provide water. The tribe is looking for 5,000 acre feet on a long-term transfer and request the districts to begin discussions with the tribe.

GM Knell reminded the Board that the 47th Annual Ag Scholarship Luncheon will be March 19 and suggested the March meeting begin at 8:00 a.m.

CONSENT CALENDAR

ITEM #1 Approve the regular board meeting minutes of January 16, 2020.

ITEM #2 Approve the January 2020 financial statements and statement of obligations including the investment portfolio.

Director Doornenbal moved to approve the Consent Calendar items #1 and #2 as presented. Director Weststeyn seconded the motion. The motion passed with a roll call vote: OID 5-0, SSJID 5-0.

ACTION CALENDAR

ITEM #3 Discussion and possible action to approve the December 2019 financial statements.

Finance Manager Dodge reviewed the preliminary December 2019 financial statements, noting net revenues of \$198,000 for the month and \$28.6 million for the year. Although December generation was greater than average, the annual non-cash accounting entries related to pension expense (GASB 68) and Other Post-Employment Benefits (GASB 75) significantly impaired December net revenues. Dodge also advised that the auditors will arrive next week.

Director DeBoer requested the two GASB items be listed separately for clarity.

Director DeBoer moved to file the December 2019 financial statements. Director Holbrook seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #4 Discussion and possible action to approve an increase in Jason Larrabee's retainer.

GM Zimmerman reminded the Board that Tri-Dam engaged VNF Solutions in May 2018 to provide consulting services. The services provided are not legal services, but consulting services in the form of federal lobbying, advocacy before Congress, and advice regarding strategic legislative and policy-making concerns relating to the following:

- The 1988 Agreement between the Districts and the United States Bureau of Reclamation;
- New Melones Reservoir storage and operations matters;
- Voluntary Settlement Agreement ("VSA") matters relating to New Melones Reservoir;
- CVPC federal legislation;
- Federal legislation;
- Federal legislation relating to Friant Dam;
- OCAP-Biological Opinion and long-term operations.

Jason Larrabee has primary responsibility for this representation, and Tri-Dam agreed to pay a fixed fee of \$10,000 per month, for approximately 25 hours of professional services. On January 23, 2020, Tim O'Laughlin sent an email to Tri-Dam requesting an increase in Jason Larrabee's retainer to continue consulting services with VNF Solutions. This retainer for Jason's time would increase from \$10,000 per month to \$12,500 per month, retroactive to January 1, 2020. Tim explained that Jason was brought in under value to see what benefits his services provided. Since then his performance has increased as well as the quality and value of his deliverables.

Director Holbrook moved to approve the new fee schedule as presented. Director Orvis seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #5 Discussion and possible action to approve the lactation policy amendment.

GM Zimmerman presented the revised Labor Code effective January 1, 2020 relating to employee lactation rights and presented an updated version of section 4.10 in the employee handbook to include the new requirements.

Director Roos moved to accept the updated version as presented. Director Doornenbal seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #6 Discussion and possible action to approve a wage step policy.

GM Zimmerman presented a draft wage step policy and advised there are currently no guidelines in place for determining whether a step increase is appropriate for an individual employee at a given time. Some employees have received step increases quickly, while others have remained in a specific step for many years. This policy is to establish a structure for step increases to ensure standard processes are used across all departments and for all non-represented employees. This policy takes into account employee performance as well as tenure.

OID GM Steve Knell asked whether the performance ratings referred to in the policy were in reference to any individual rating criteria or for the overall performance of the employee. GM Zimmerman explained that the performance ratings referenced in the policy were for the overall performance rating of the employee, and not for any one rating criteria or category, and that the performance evaluation form eliminated the confusion.

Director Orvis moved to approve as presented. Director Weststeyn seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #7 Discussion and possible action to approve the 2020 represented employee pay schedule.

The California Code of Regulations, Section 570.5, outlines the requirements for a publicly available pay schedule for PERS retirement calculations. In these requirements, it states that the publicly available pay schedule cannot reference another document in lieu of disclosing the pay rate, or in other words, cannot reference the approved Memorandum of Understanding (MOU) where the Schedule of Wages is located.

Director Holbrook moved to approve as presented. Director Santos seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #8 Discussion and possible action to authorize the General Manager to sign the Professional Services Agreement with HDR Engineering, Inc. for STID updates for Beardsley, Donnells, and Tulloch Projects, including a budget adjustment for account #59337.

Susan Larson updated the Board that the proposed Supporting Technical Information Documents (STIDs) updates are a required component with the FERC 11th Independent Consultant Safety Inspection Reports, filed with FERC in 2018. The 11th Independent Consultant Safety Inspections were conducted in 2017, and the Part 12d Inspection Reports were filed timely with FERC in April 2018. Participants included FERC staff, Tri-Dam and Adam Jones/HDR staff.

The updates of the STIDs for all three (3) dams is a required implementation of the Part 12d Inspection work, thus HDR Engineering Inc. has provided the proposal to perform this work. This is a required component of the Part 12d implementation, along with the Dam Safety Surveillance and Monitoring Plan (DSSMP) update, which was authorized by the Board in January 2020 to be prepared by HDR.

Updating the STIDs will be performed by HDR, in conjunction with the Dam Safety projects being performed by Wayne Edwards, also authorized in January 2020. Work being done by HDR and Wayne Edwards is done on a coordinated basis, with HDR, Wayne Edwards and TDP staff working together.

Director Orvis moved to authorize the General Manager to sign the Professional Services Agreement with HDR Engineering, Inc. as presented including the budget adjustment to account #59337. Director Weststeyn seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #9 Discussion and possible action to approve discontinuing the temporary spillway repairs at Tulloch Dam.

GM Zimmerman met with the Operations Supervisor, Maintenance Supervisor, and additional Tri-Dam staff to confirm that no water enters the powerhouse during spillway operations. Originally, water did leak through the wall during spillway operations, until grout repairs to the weir were completed by Tri-Dam staff in June of 2019. This repair was made to prevent water from seeping under the concrete road and down to the powerhouse. Once those repairs were made, the only times water has been observed to leak through the wall is during heavy rainstorms. During these events, water seeps in through the crack and runs down the wall inside the powerhouse.

Leaks in concrete walls in dams and powerhouses are very common and the leaking water can be redirected to prevent equipment damage (short-term solution), the water outside the powerhouse wall can be prevented from pooling (often times difficult to locate water source and difficult to redirect), or the crack can be sealed. Sealing concrete cracks can be very successful and be performed with minimal costs.

Director Holbrook moved to approve discontinuing the temporary spillway repairs at Tulloch Dam as presented. Director Doornenbal seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #10 Discussion and possible action to approve one (1) 3500 Chevrolet 4WD Equipment Operator Truck and one (1) 2500 Chevrolet 4WD Technician Truck.

Troy Hammerbeck answered Directors' questions and recommended purchasing the Chevy 3500 from Sierra Motors and the Chevy 2500 from Steve's Chevrolet.

Director Holbrook moved to approve purchasing the trucks as presented. Director Altieri seconded the motion. The motion passed OID 5-0, SSJID 5-0

ITEM #11 Discussion and possible action to approve the purchase of computers, monitors and docking stations.

GM Zimmerman advised the Board that many of the computers have aged, have outdated operating systems, and have experienced losses in performance and are in need of replacement.

Director DeBoer moved to approve purchasing the computers and associated equipment as presented. Director Roos seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #12 Discussion and possible action to approve the purchase of industrial grade UPS systems.

Troy Hammerbeck and Kevin Ogg advised the Board that we are currently using over-the-counter UPS systems for backup power for our security system, SCADA network, internet, and computers, which has resulted in increased down time. Kevin answered Directors' questions and stated purchasing the industrial grade UPS systems will improve reliability.

Director Holbrook moved to approve the UPS systems as presented. Director Santos seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #13 Discussion and possible action to approve the purchase of microwave network upgrades.

Troy Hammerbeck and Kevin Ogg advised the Board that the current microwave system reached end of life several years ago and staff is unable to purchase new parts. The system no longer meets our needs and modern day SCADA and security systems have an Ethernet requirement that our current system does not support.

Kevin Ogg answered Directors' question and provided the new system is proven to be robust and will meet all of our needs and drastically reduce downtime on the microwave system.

Director Roos moved to approve the purchase of microwave network upgrades as presented. Director Santos seconded the motion. The motion passed OID 5-0, SSJID 5-0.

ITEM #14 Discussion and update on the Stanislaus River Basin Plan.

GM Knell advised that OID is working on the financial model, while GM Rietkerk advised that SSJID is working on individual reports and has begun working on capital.

ITEM #15 Discussion of Tri-Dam expense trend.

Finance Manager Dodge presented an analysis of Tri-Dam's expenses over the past 10 years, with adjustments for depreciation, other non-cash expenses, non-operating costs, and major one-time O&M expenses. The analysis showed compound growth rates for adjusted expenses and labor costs during the period, and provided a high-level comparison to the industry and three other Northern California hydro operators. Dodge noted that beginning in 2016, Tri-Dam's expenses began to accelerate, although some of this growth may be attributable to catching up after the drought, as well as several significant events that occurred during the last three years that forced Tri-Dam to incur a significant amount of overtime.

ITEM #16 Staff Reports

In addition to the other written staff reports, GM Zimmerman provided a brief overview of each item discussed in his report and answered Directors' questions.

ITEM #17 Generation Report

No discussion.

ITEM #18 Fisheries Studies on the Lower Stanislaus River

No discussion.

ITEM #16 Directors Comments

None.

Recess to Tri-Dam Power Authority

President Kamper recessed to the Tri-Dam Power Authority Board of Commissioners meeting at 11:34 a.m.

The Tri-Dam Project meeting resumed at 11:36 a.m. after the Tri-Dam Power Authority meeting adjourned.

ITEM #20 Closed Session

President Kamper announced before closed session that the following items would be discussed:

- a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Potential Litigation
Government Code § 54956.9(d)(2)
One (1) case

- b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Potential Litigation
Government Code § 54956.9(d)(4)
One (1) case

- c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code § 54956.9(d)(1)
Genna Modrell, Susan Larson v. Oakdale Mutual Water Company LLC, South San Joaquin Irrigation District, Tri-Dam Project
(19-CIV-07604) San Mateo Superior Court

Directors Altieri and Santos exited the meeting at 1:50 p.m.

The Board reconvened to open session at 2:44 p.m.

Reportable action(s) from closed session, pursuant to Government Code Section 54957.1:
Item 20(c): Motion by Director DeBoer, seconded by Director Holbrook, to delegate matters relating to the existing litigation to the members of legislative body previously appointed to the standing Tri-Dam Advisory Committee for discussion at the meeting(s) of said Committee as may be held from time to time. Such delegation shall remain in place until further action by the Tri-Dam Board.

The motion passed by the following vote:

AYES: DeBoer, Doornenbal, Orvis (OID); Kamper, Holbrook, Holmes, Roos, Weststeyn (SSJID)

NOES: None

ABSTAINING: None

ABSENT: Altieri, Santos (OID)

ADJOURNMENT

President Kamper adjourned the meeting at 2:45 p.m.

The next regular board meeting is scheduled for March 19, 2020, at Oakdale Irrigation District in Oakdale, California beginning at 8:00 a.m.

ATTEST:

Jarom Zimmerman
Secretary, Tri-Dam Project