

**MINUTES FOR THE AUGUST 28, 2018
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District met in regular session in the District Boardroom at 9:00 a.m. President Kuil called the meeting to order and Director Roos led the flag salute. Upon roll-call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL ROOS
ABSENT: NONE

Also present were General Manager, Peter M. Rietkerk; Outside Counsel, Don Geiger; Assistant General Manager, Bere Lindley; Engineering Department Manager, Forrest Killingsworth, and Clerk of the Board, Betty Garcia.

Public Comment

Ash Feeney, representing Trumark Homes, addressed item #2, the Shadowbrook Development in Manteca. He thanked the Board for considering the item.

Mark Varnum, football coach at Manteca High, thanked the Board for their support.

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$383,469.70; Accounts Payable Wires in the amount of \$344,531.57; and payroll dated August 17 in the amount of \$208,121.76.
- B. Approval of the regular Board Meeting Minutes of August 14, 2018.
- C. Consider approval of Irrigation Service Abandonment Agreement for Michael DeRuosi III, APN 225-020-51.

A motion was made by Director Holbrook and seconded by Director Kamper to pull item #C for further review and to approve the remaining Consent Calendar as submitted. The motion passed 5 to 0 by the following roll-call vote:

AYES: HOLBROOK HOLMES KAMPER KUIL ROOS
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

Item #1 – Communications

Director Kamper read a news article that discussed the Twin Tunnels and what is best for the State and the 19 million people who want water.

Director Kuil stated the City of Lathrop is in the process of requesting a basin boundary modification to move their own Groundwater Sustainability Agency (GSA) to the Tracy subbasin. Once approved, the City will no longer be a member of the Eastern San Joaquin Groundwater Sustainability Agency and will be reorganized into the Tracy Subbasin.

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Director Holbrook:

- Attended the Advisory Water Commission meeting and said that Peter Rietkerk made an excellent presentation regarding the Bay Delta Plan – SED.
- He attended the rally at the State Capitol in Sacramento that was well attended; Oakdale Irrigation District had four board members attend.
- The US Navy is using drones and they are extremely useful.

Ed Erisman, Water Treatment Plant Manager

- Reported that membrane-fouling rates are requiring monthly recovery cleans. The cleans are removing the fouling but our current filter runs are 30 days or less and some trains are getting so bad before cleans that staff has to reduce the flow to keep from damaging the fibers. Since the reservoir levels have come back up, the problem with algae and aquatic weeds seems to have improved.
- Roof painting on Treated Water Reservoir #1 and #2 is scheduled for next month.
- The Dissolved Air Filters variable frequency drive project is scheduled to start in six weeks. Water Treatment Plant staff built steel platforms and they will start installing them as soon as the new handrails arrive. Once the platforms are installed, the sites will meet code and Central Valley Electric can start installing the new cabinets.

Bere Lindley, Assistant General Manager

- Mr. Lindley has been working on planning the budget process for 2019 and making quite a few changes to further educate budgeters and standardize the budgeting process. Finance staff will hold a training session for Thursday, August 30 for all budgeters.
- He is working on his implementation projects for the Strategic Plan and he is helping Peter update the Strategic Plan.
- There will be a meeting with the Department of Toxic Substances Control on Friday, August 31 to discuss lead abatement plans at the Escalon Gun Club.

Troylene Saylor, Public Relations Director

- Distributed thank you letters to Board .
- Working on a customer service and grower survey; a first-time grower newsletter will be mailed out to 40,000 residents in the community.
- Water Rally at State Capitol will go out as a “bill stuffer” to customers.
- She is working with Gallup Q12 employee engagement survey and one of their representatives will attend the upcoming budget workshop to discuss why employee engagement is important to the District and how to improve engagement scores.
- Strategic Planning – she is working on several teams, such as the workforce & culture committee and customer service.
- Has several school tours scheduled.
- Working on her budget.

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Frank Avila, Irrigation Operations Manager

Water Department:

- Woodward Level 209.60, the total in-flows from Tri-Dam are 500 cfs.
- Both Frankenheimer and Woodward Power Plants are continuing to perform very well.
- He recognized and thanked the Maintenance Department employees for stepping up and covering for the water department when needed. Quite often, maintenance staff are asked to assist with short notice. He acknowledged the District's employees are team players and always willing to assist other departments.

Maintenance Department:

- The Maintenance Department continues to be very busy keeping up with everyday maintenance tasks.
- Today eight (8) employees are being trained and certified in rigging and signaling.
- Staff continues to work on the Rosier Basin, however, due to other obligations for the last few weeks, we have been operating on a skeleton crew.

Shop Department:

- Welding Department is busy fabricating the aluminum slides for the Engineering Department. The largest slide for the A-Line was slightly bent and is being braced to allow for the pressures of high flows.
- The shop received the permit from the Air Pollution Control District to proceed with the installation of the new fuel dispensers and console. James Ferguson is now working on scheduling the project.
- One of the new Ford trucks went to the dealer for a warranty brake issue; otherwise the Ford trucks are running great.
- International truck fleet are getting their annual smoke tests performed as required by Air Resources Board.

MDC/Telemetry Department:

- They are busy with day-to-day operations with water and maintenance.
- Recently hired, Randy Harris, Instrumentation Technician/Industrial Electrician will be working for the Control Room Department, as one of Lloyd Wayman's new team member.
- Staff discovered a problem with the programing of the new wells at the Division 9 Project, but has resolved the issue, allowing data from the well run times to be recorded.

Forrest Killingsworth, Engineering Department Manager

- Schell Road Demolition Project has been successfully completed.

- SSJID Water Master Plan – staff plans to provide a presentation to the board with a proposal from CH2M at the next board meeting to initiate Phase 1 of the Master Plan Development process.

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- On August 15, staff held a meeting with the Cal Poly, San Luis Obispo Irrigation Training and Research Center staff to discuss their modernization work product to date. Dr. Charles Burt laid out their key findings which included:
 - Automation of the Main Canal is feasible downstream of Woodward Reservoir without the need for an additional storage basins. This is a critical and necessary component to provide a future “on-demand” service.
 - An extra control/drop structure with automated gates would be required at the Valley Home drop along with installation of a continuous fiber optics communication line along the entire length of the canal.
 - Unscheduled flow at Woodward would be necessary which could be problematic for the Woodward hydropower generator operated by Turlock Irrigation District. SSJID may need to investigate options to provide for more flexible scheduling of Woodward diversions through the powerhouse.
 - Providing pressurized service appears to be a potentially viable and realistic option. On the east side of the District, it would be more efficient to pump directly from the main canal and to install new mainlines that run in a north-south direction which intercept the existing CIP pipelines. These new lines could be sized to provide flood deliveries into the CIP pipelines as well.
 - On the west side of the District, approximately four regulation reservoirs may be needed to provide the same type of distribution network as described above.
 - Deliveries could be scheduled similar to Division 9 but most turnouts would be manually operated at first. Remote operations could be added in the future (or immediately) depending on project costs.
 - More work still needed to finalize the effort. ITRC plans to make a presentation to the board in November.

Peter Rietkerk, General Manager

Water Supply

- Reservoir Storage – New Melones inflow for WY 2017-2018 is 795,000 acre-feet and storage is 1,833,336 AF or 76-percent of capacity.

News and Updates

- Annual Strategic Plan Update
 - Rietkerk is working with District staff through our first annual Strategic Plan update. Understanding that plan can change soon after completion, SSJID built into its Strategic Planning effort a plan to annually update the plan to make sure it continues to be relevant to SSJID and its customers.
 - A Strategic Planning Committee has been formed with employees of SSJID; staff is engaged and a number of new projects have been added and will be carried forward into the next few years. Staff also intends on reprioritizing Strategic Implementation Program projects as necessary.
- Water Rally was held at the State Capitol on August 20, 2018 in Sacramento; the event was well attended with what appeared to be over 1,000 participants. The rally ran from

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12:00 to 1:00 pm and included a number of elected officials from across the Stanislaus, San Joaquin, and Merced County region

- State Water Board (SWB) held hearings on the Final Phase 1 Substitute Environmental Document (SED) on August 21-22, 2018. There were many opinions regarding the SED mostly from environmental groups who praised the State Board, showing little support for water user considerations. Tim O’Laughlin spoke on behalf of SSJID and OID and the San Joaquin Tributaries Authority (SJTA) clarifying previous statements about the amount of reductions in diversion on average for the plan, contrasting annual averages with drought period reductions. After hearing a presentation from the Department of Fish and Wildlife (DFW), the SWB went into deliberations until late Wednesday night, August 22. The State Board appeared interested in approving the plan as soon as possible with little to no flexibility for potential settlements under the 30-50 percent range. According to DFW, settlement discussions will start again on September 4, 2018 with the expectation to return in October with settlements. SWB continued action on this item to November 7, with the presumption that the Plan will be approved and adopted at that time.
- On Thursday, August 29, from 6:30 to 8:00 pm, the Eastern San Joaquin Groundwater Authority will hold a stakeholder open house to provide an opportunity for the public to attend and understand the efforts being undertaken to provide for Sustainable Groundwater Management Act compliance within the local groundwater subbasin. The public is welcome. SSJID will have a table to take individual questions about the South San Joaquin Groundwater Sustainability Agency and distribute information.
- SSJGSA will hold a meeting on Wednesday, September 5, 2018 to provide updates to the GSA Board about progress made within the Groundwater Authority in development of the Groundwater Sustainability Plan (GSP).
- Districts received word from Ron Berry, General Manager, at Tri-Dam, that the Donnell’s Generator was down again, likely with a similar bearing issue that has plagued the generator for most of 2018.
- SSJID and OID General Managers are preparing to leave along with Tim O’Laughlin to Washington D.C. during the week of September 10 to visit local representatives and provide updates on a number of initiatives being promoted and undertaken by the District. Rietkerk noted that the SSJID Board may wish to reschedule the September 11, 2018 Board meeting, or allow the calling of a special Board meeting the week of September 17 (Tuesday, September 18) and taking action at that meeting to cancel the final board meeting of the month of September.
- Reviewed a letter addressed to Assemblyman Flora and Stanislaus County Supervisor Kristin Olson responding to Stanislaus County’s request to extend the bodily contact period for recreation at Woodward Reservoir through September 26, 2019. Rietkerk noted that the district would deny the request because of the water quality and water supply concerns surrounding the request.

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- He thanked Robin Giuntoli for her efforts on the boardroom remodel and for how well it turned out.

ACTION CALENDAR

Item #2 – Consider approval of Joint Trench Encroachments proposed at the Shadowbrook Development in Manteca

Mr. Forrest Killingsworth, Engineering Department Manager, stated that staff is waiting for an encroachment request from PG&E. He said that staff has reviewed the plans and verified that they comply with District standard requirements and the terms of the current/expired Master Encroachments Agreement.

A motion was made by Director Roos and seconded by Director Holmes to authorize conditional approval of the joint trench encroachments at Shadowbrook Development in Manteca, with the stipulation that PG&E submit their letter requesting the encroachment. The motion passed 5 to 0 by the following vote:

AYES:	HOLBROOK HOLMES KAMPER KUIL ROOS
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

Item #3 – Consider approval of Lathrop 1 exterior tank painting

Mr. Ed Erisman, Water Treatment Plant Manager, stated this was the last of the 1-million gallon storage tanks that need to be painted. Director Holbrook noted on page 2 of the contract, section 4.3 Notice to Third Party Claims, the word “ant” needs to be changed to “any.” Mr. Erisman stated that staff has been satisfied with the work of Joaquin Painting.

A motion was made by Director Holbrook and seconded by Director Holmes to approve staff’s recommendation and accept the bid from Joaquin Painting to repair the exterior coating of the Lathrop 1 Pump Station exterior storage tank. The motion passed 5 to 0 by the following vote:

AYES:	HOLBROOK HOLMES KAMPER KUIL ROOS
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

Item #4 – Consider approval of Management Unit Memorandum of Understanding amendment related to OPEB benefits to comply with ACWA JPIA requirements

Mr. Peter Rietkerk, noticed that the previous language of the MOU needed to change to continue to receive the “incentive rates” offered by ACWA JPIA. He said a majority of the members of the Management Unit approved the amendment. The proposed amendment is that there is no health insurance benefit for retirees with less than five (5) years of continuous service and meets ACWA guidelines for post-employment health benefits.

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A motion was made by Director Holbrook and seconded by Director Kamper to approve the proposed language and to further authorize the General Manager strike further language in Section 5.2.D.1.b stating "...or a minimum of fifty dollars (\$50) per month" upon agreement with the Management Unit.

The motion passed 5 to 0 by the following votes:

AYES: HOLBROOK HOLMES KAMPER KUIL ROOS
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

Item #5 – Consider approval of Resolution #18-07-P that authorizes the sale of property no longer necessary for District purposes

A motion was made by Director Holmes and seconded by Director Roos to approve Resolution #18-07-P that authorizes the sale of property no longer necessary for District Purposes.

**RESOLUTION NO. 18-07-P
AUTHORIZING SALE OF PROPERTY NO
LONGER NESSARY FOR DISTRICT PURPOSES**

WHEREAS, the District may sell for valuable consideration, any property of the District, which it finds to be no longer necessary for District purposes;

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District, finds the following for sale, as listed below:

<u>DISTRICT I.D. NO.</u>	<u>VEHICLE TYPE</u>	<u>VIN NUMBER</u>
604-05	Chevrolet Express Van	1GCHG39U451221284

Is no longer necessary for District purposes and that it is in the best interest of the District to sell said property for the price listed below:

<u>DISTRICT I.D. NO.</u>	<u>PROPOSED PRICE</u>
604-05	\$4200.00

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Assistant General Manager of the District is authorized to display said property for sale for a period of ten days, and thereafter may reduce the advertised price by \$500.00 every ten days until the vehicle is sold.

BE IT FURTHER RESOLVED AND ORDERED that the Assistant General Manager is authorized and directed to take all necessary steps and execute all documents necessary to transfer title to said property.

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PASSED AND ADOPTED this 28th of August 2018 by the following roll-call vote:

AYES:	HOLBROOK HOLMES KAMPER KUIL ROOS
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

Item #6 – Consider approval of flow meter for laterals at the split boxes

Mr. Lloyd Wayman, Telemetry Systems Supervisor, stated that the installation of the flow meters will improve accuracy and allow for better measurement capabilities where heads of water are split or diverted. Director Holbrook noted that the quote did not include tax or shipping and that the impact on the budget must be adjusted to include those charges.

A motion was made by Director Holbrook and seconded by Director Roos to approve the release of budgeted funds to purchase three Sontek Flow Meters to be used for the split boxes and to adjust the budgeted amount to reflect \$30,046.65. The motion passed 5 to 0 by the following vote:

AYES:	HOLBOOK HOLMES KAMPER KUIL ROOS
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

Item #7 – Discussion and/or action regarding Division 9 well utilization and service after irrigation season ends

Mr. Frank Avila, Irrigation Operations Manager, and Mr. Lloyd Wayman, Telemetry Systems Supervisor, addressed the Board. They reviewed how often the wells in Division 9 have been operated throughout the year. He said there was a total of 966 hours of run time on the wells during the life time of the wells with an average of 340 hours per year of irrigation time when both lines have been maxed out. He said there was a total of 4,664 cfs out of the wells. The pumps are being used 1 to 2 days every 10 days of irrigation deliveries, and the pressurize system was using a total of 18,000 GPM to 22,000 GPM on the same time period. The wells are being operated an average of 48 hours per month only to provide additional flexibility for scheduling of deliveries from the Division 9 system.

In addition to discussing operation of the wells, Mr. Avila, Mr. Wayman, and Mr. Lindley also discussed costs per acre-foot of delivered water to operate the Division 9 system during the “shoulder” months of the irrigation system. Due to little demand during these months, the unit costs increase substantially per acre-foot to operate these systems to benefit a few customers. Mr. Lindley presented that in 2017, the costs to operate the system in March increased to \$218 per acre-foot or 523% more than the \$35 per acre-foot annualized pressurization rate charged to Division 9 customers.

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The recommendation from Mr. Avila and Mr. Wayman is that the Division 9 system would only serve a few customers after the irrigation season ends and the water that will be used has to be all pumped well water and it will make the system very costly to operate. The Board concurred and did not recommend any action to change current operation of the Division 9 system.

Item #8 – Consider approval of Budget Amendment Proposal for OPEB Funding and Water Treatment Plant Operating Expenses

Ms. Sarah Bloom, Management Accountant, stated that modifications to the Water Treatment Plant Budget amounting to an increase of \$10,404 are proposed. Nearly all of the modifications are labor related items. She also stated that at the August 14, 2018 Board meeting, the Board approved an expenditure of \$411,907 to fully fund the OPEB liability per staff recommendation. Of the \$411,907 OPEB funding increase, \$80,683 is included in the budget change for the water treatment plant described above. The other \$331,224 of the OPEB funding increase is allocated to irrigation. The net impact to the SSJID budget of all these changes is an increase of \$341,628, of which \$10,404 will be reimbursed by the member cities of the water treatment plant. The Board thanked Ms. Bloom for doing a good job on the budget and for the detailed explanation.

A motion was made by Director Holmes and seconded by Director Roos to approve 2018 calendar year budget amendment #2 increasing net operating expenses by \$341,628 to recognize the Board's decision to fully fund the OPEB trust this year, and to correct some estimates in the water treatment plant budget. The motion passed 5 to 0 by the following vote:

AYES:	HOLBROOK HOLMES KAMPER KUIL ROOS
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

Item #9 - Financial Statements for July 2018

This was for information only; however, Mr. Lindley was available for questions.

Item #10 – Investment Reports for July 2018

This was for information only; however, Mr. Lindley was available for questions.

Item #11 – Discussion regarding design of Boardroom finishes and décor

Ms. Robin Giuntoli, Finance Supervisor, and Troylene Sayler, Public Relations Director, addressed the Board. Ms. Giuntoli stated that in regards to design of the Boardroom, the goal is to honor the history of the District as well as the memory of its previous Board members, while maintaining its timeless design. Ms. Giuntoli and Ms. Sayler reviewed two options for the Boardroom finishes and décor. Option 1 including a photo collage of previous directors on the west wall, similar to the previous board room décor, but suggested the photos be reframed using a brushed aluminum frame with a smaller footprint to reduce overall wall space, and by adding a smaller name plaque. Giuntoli and Sayler also recommended convert all photos to black and white for a more consistent appearance. The SSJID logo and graphic would be added to the east wall

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using brushed aluminum letter forms that extend off the wall by one-half inch. Replacing the flagpoles with matching units with brushed aluminum finishes would also improve the room décor. The north wall would include large photo graphics depicting service area commodities with brushed aluminum stand offs 48 x 36 inches and could include a smart board. The exterior wall would include graphics with the District's Mission and Vision statements and core value graphics using transparent Plexiglas and brushed aluminum finishes.

The second option included large photo graphics depicting service areas on the western wall. The front wall would still use the District's name and graphic. Flagpoles would be replaced with brushed aluminum finishes. The interior wall would have a 24 x 36 inch Plexiglas graphic listing all past board members and their dates of service to the District. Smaller framed photos of the current board members. Larger photos could also depict graphics of service area commodities. The south wall would have Mission, Vision, and Values statement graphics, as well as a large clock using brushed aluminum.

The Board of Directors gave direction to staff indicating that they preferred having pictures of all of the past, as well as current Directors pictures hung in the Boardroom in order to properly represent the District's history.

It was announced that items 12b and 12c would be discussed in Closed Session at 11:58 p.m.

Item #12 – Closed Session

12. a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
- 2 cases
- b. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Section 54956.9
- Phase 1 hearings on San Joaquin River/Delta Water Quality Control Plan before State Water Resources Control Board
- 2 cases
- c. Conference with Legal Counsel – Existing Litigation
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
- 3 cases

SSJID vs. PG&E
Appeal from Judgment of Dismissal Pending;
In the Court of Appeal for the State of California, Third Appellate District
Case No. C086319
Superior Court for San Joaquin County
Case No. STK-CV-UED-2016-0006638

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PG&E vs. San Joaquin LAFCo; SSJID, Real Party in Interest

In the Court of Appeal for the State of California, Third Appellate District

Case No. C086008

Superior Court for San Joaquin County

Case No. STK-CV-UJR-2015-0001266

SSJID vs. Lakeview Ranch Partners

Superior Court for Stanislaus County

Case No. 2028441

- d. Management Unit Labor Negotiations
California Government Code Section 54957.6
Agency Negotiator: General Manager
Employee Organizations: SSJID's Management Group

- e. IBEW Labor Negotiations
California Government Code Section 54957.6
Agency Negotiator: General Manager
Employee Organization: IBEW

The Board returned to open session at 12:40 p.m.

Disclosure of reportable actions taken in Closed Session, pursuant to Government Code Section 54957.1: There were no reportable actions taken in Closed Session.

A motion was made by Director Kamper and seconded by Director Holmes to re-open item #C that was previously removed from the Consent Calendar. The motion passed 4 to 1 by the following vote:

AYES:	HOLMES KAMPER KUIL ROOS
NOES:	HOLBROOK
ABSTAIN:	NONE
ABSENT:	NONE

Consent Calendar Item #C – Consider approval of Irrigation Service Abandonment Agreement for Michael De Ruosi III, APN 225-020-51

After discussion, a motion was made by Director Holmes and seconded by Director Kamper to approve the service abandonment agreement for Michael De Ruosi III, APN 225-020-51. Direction was given to staff to review the Irrigation Service Abandonment Agreement for the following items:

- Non-Agricultural processing in an Ag Zone
- Conditions of how the District exempts property

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- Exempt – if the property is not growing a commercial crop with emphasis on usage of the water

The motion passed 3 to 2 by the following vote:

AYES: HOLMES KAMPER KUIL
NOES: HOLBROOK ROOS
ABSTAIN: NONE
ABSENT: NONE

Item #13 – ADJOURNMENT

There being no further business to discuss, a motion was made by Director Kamper and seconded by Director Holmes to adjourn the meeting at 12:51 p.m.

The motion passed 5 to 0 by the following vote:

AYES: HOLBROOK HOLMES KAMPER KUIL ROOS
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

ATTEST: _____
 Betty L. Garcia, Clerk of the Board