

Manteca, California
January 24, 2017

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at 9:00 a.m. President Kuil called the meeting to order and Director Holbrook 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 Rietkerk, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Clerk of the Board Betty Garcia.

President Kuil presented Director Holmes with an appreciation plaque for the time he served as Board President during 2015-2016. He thanked him for his dedication and hard work during that time.

Public Comment

Dane Wadle, Field Coordinator Representative, with California Special Districts Association (CSDA) stopped by to introduce himself to SSJID. He stated that he had a water district background as he was previously employed by the Placer County Water Agency. He said it is the goal of CSDA to protect the interests of the Districts they represent by providing a robust training program.

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$399,364.57; A/P wires in the amount of \$261,857.70; payroll dated January 20, 2017 in the amount of \$180,903.67.
- B. Approval of the regular board meeting minutes of January 10, 2017.
- C. Approval of the special board meeting minutes of January 17, 2017.
- D. Approval of the current employee pay schedule.
- E. Approval of consent to SSJID's entry of property to read and to maintain flow meter for David Eisenga, APN 203-220-16.
- F. Approval of Notice of Completion for Maggiora Brothers construction of Division 9 east basin well project.
- G. Approval of Notice of Completion for Woodward Estates project.
- H. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Ryan & Janay Winters, APN 203-070-22.

- I. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Villanueva Family Trust, APN 205-070-37.

Director Roos noted an error on page 8 of the minutes, Long-term operations, should be long-term operations. General Counsel Emrick noted that on item D, there were changes made to the footnotes on the employee pay schedule that affected both the District General Counsel and General Manager's wage adjustments. A motion was made by Director Holmes and seconded by Director Roos to approve the Consent Calendar with the changes noted above. The motion passed 5 to 0 by the following roll call vote:

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

ACTION CALENDAR

Item #1 – Approve proposed appointment of Board officers and appointments to the Board committees, joint powers authorities of which the District is a member, County Advisory Water Commission, District offices and other assignments

President Kuil noted the following changes to the board committee appointments:

- Tri-Dam Project & Tri-Dam Power Authority
 - Replaced Director Kamper with Director Roos
- Insurance & Safety
 - Replaced Director Kuil with Director Holbrook
 - Replaced alternate Director Holbrook with Director Kuil
- Equipment
 - Replaced Director Roos with Director Holmes
 - Replaced alternate Director Holmes with Director Roos
- San Joaquin River Tributaries Authority
 - Replaced alternate Director Kamper with Director Holmes

A motion was made by Director Holmes and seconded by Director Kamper to approve the above noted changes to the committee appointments for 2017. The motion passed 5 to 0 by the following vote:

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

Item #2 – Consider approval of amended service abandonment for Lee and Vanessa Caton, APN 227-390-01

Mr. Sam Bologna, Engineering Manager, presented this item to the Board. He said the owner would like to amend the existing service abandonment agreement so that the property can be eligible to receive District water. The existing parcel is currently irrigated with a sprinkler system supplied by an onsite well.

Specific conditions for approval that staff recommends are outlined as follows:

1. Flood Irrigation through Adjacent Property
 - a. Lateral “A” is the closest District facility to the Subject Property and is capable of delivering floodwater to the Subject Property through the Adjacent Property but private improvements, including the extension of a private irrigation ditch would be required to allow flood irrigation. Owner is responsible for installing all improvements necessary to deliver flood irrigation to the Subject Property in accordance with District’s Standard Plans and Specifications (“District Standards”) at Owner’s expense as a condition to receiving water.
 - b. District’s delivery of water to the Subject Property is conditioned on the Owner of the Subject Property having the right at all times to receive and transport District water from Lateral “A” or other District facility across the Adjacent Property or such other real property or properties that are between the District facility and the Subject Property.
 - c. Owner is responsible for complying with the District’s rules regarding irrigation service as it relates to sharing the use of the private facility that will be shared with the Adjacent Property. As a condition of approval, Owner shall obtain a formal recorded easement agreement, or otherwise possess at all times the right to install and use private facilities, with the Adjacent Property in order to allow use of the Adjacent Property for delivery of water to the Subject Property.
2. Sprinkler or Drip Irrigation Through Adjacent Property
 - a. Irrigation water for sprinkler or drip irrigation can be made available to the Subject Property through Lateral A 219 DD through the Adjacent Property. The Owner shall connect to the SSJID facility and construct a private sump consistent with District Standards as a condition to receiving water.
 - b. District’s delivery of water to the Subject Property is conditioned on the Owner of the Subject Property having the right at all times to receive and transport District water from Lateral “A 219 dd” or other District facility across the Adjacent Property or such other real property or properties that are between the District facility and the Subject Property.

3. All facilities used to receive District water must conform to District Standards. Owner is required to obtain a Structure Permit for all required improvements from District before receiving District water.
4. Owner acknowledges that District may deny water delivery to the Subject Property if District determines that Owner is not able to take the water efficiently and effectively
5. Responsibility for Costs.
 - a. Owner is responsible for paying all costs and charges related to providing service to the Subject Property, including all District water charges in effect from time to time, back water charges consistent with District policy and for installing all facilities necessary to deliver irrigation water to the Subject Property in accordance with the District Standards.
6. Measurement
 - a. If the Subject Property is irrigated by flood, District will determine the Subject Property's water use based on a time vs. flow calculation as determined by the District. District shall determine the amount of water delivered to each property based on the proportional percentage of irrigated acreage until such time as District requires flow meter(s) to be installed. The District has the right to require flow meter(s) meeting the District Standards to be installed at the Owner's expense to accurately measure the delivered water to the Subject Property and to the Adjacent Property. The District will notify the Owner when the District requires the owner to install the meter(s). The Owner is required to install the meter(s) according to District Standards within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter(s) to the District Standards.
 - b. If the Subject Property is irrigated by sprinkler or drip, a flow meter per District Standards is required on the pumping system to keep a running total of water delivered as a condition to receiving water. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to each property based on the proportional percentage of irrigated acreage until such time as District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described herein.
 - c. Owner agrees that District's delivery of water to the Subject Property is conditioned on Owner allowing District personnel reasonable access to the Subject Property at all times to inspect the facilities used to transport water to the Subject Property, to read the flow meter when installed as described herein, and to determine if all conditions specified in this agreement are satisfied.

A motion was made by Director Holbrook and seconded by Director Holmes to go with staff's recommendation to consider approval of "Agreement to Amend Irrigation Service Abandonment Agreement" subject to the above stated recommendations and a revision to the standard agreement that further reflects those conditions. Approval shall be subject to the terms and conditions specified in the revised policy entitled "Policy for Rescinding Irrigation Service Abandonment". By action dated January 13, 2015 which amended the Policy for Rescinding Irrigation Service Abandonment, Owner is not subject to a one year waiting period for the Subject Property to receive District water.

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 amended service abandonment agreement for DeJong Brothers Farming, APN 245-080-01 and JoAnn Santos, APN 245-160-06

Mr. Bologna stated that both of these parcels were signed off by Harold Santos in 1992. Only recently it was discovered that both properties that he owned were included erroneously in the same service abandonment agreement (on the same deed). He only intended to sign off on parcel #245-080-01. Mr. Bologna indicated that full water charges have been paid on parcel #245-160-06. The current owner of parcel #245-080-01 (DeJong Brothers) wants to amend the existing service abandonment agreement so the property can be eligible to receive District water.

Specific conditions for approval that staff recommends are outlined as follows:

1. Flood Irrigation
 - a. Lateral "Ka" is capable of delivering flood water to the Subject Property, through existing private valve structures on the pipeline. If additional irrigation structures are desired, Owner is responsible for installing all improvements necessary to deliver flood irrigation to the Subject Property in accordance with District's Standard Plans and Specifications ("District Standards") at Owner's expense as a condition to receiving water.
 - b. If Owner desires that the Subject Property receive water service by any means other than flooding, Owner is required to install all improvements District determines to be necessary in accordance with District Standards, or to upgrade existing facilities as necessary to be in accordance with the District Standards, at Owner's expense. Such improvements may include, but shall not be limited to, a flow meter as described below.
2. Irrigation water for sprinkler or drip irrigation can be made available to the Subject Property through SSJID Lateral "Ka". The Owner shall connect to the SSJID facility and construct a private sump consistent with District Standards as a condition to receiving water.

3. All facilities used to receive District water must conform to District Standards. Owner is required to obtain a Structure Permit for all required improvements from District before receiving District water.
4. Owner acknowledges that District may deny water delivery to the Subject Property if District determines that Owner is not able to take the water efficiently and effectively
5. Responsibility for Costs.
 - a. Owner is responsible for paying all costs and charges related to providing service to the Subject Property, including all District water charges in effect from time to time, backwater charges consistent with District policy and for installing all facilities necessary to deliver irrigation water to the Subject Property in accordance with the District Standards.
6. Measurement
 - a. Flood Irrigation - If the Subject Property is irrigated by flood, District will determine the Subject Property's water use based on a time vs. flow calculation as determined by the District. The District has the right to require flow meter(s) meeting the District Standards to be installed at the Owner's expense to accurately measure the delivered water to the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter(s). The Owner is required to install the meter(s) according to District Standards within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter(s) to the District Standards.
 - b. Sprinkler/Drip - If the Subject Property is irrigated by sprinkler or drip, a flow meter per District Standards is required on the pumping system to keep a running total of water delivered as a condition to receiving water. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to each property based on the proportional percentage of irrigated acreage until District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described herein.

A motion was made by Director Kamper and seconded by Director Holbrook to go with staff's recommendation to consider approval of "Agreement to Amend Irrigation Service Abandonment Agreement" subject to the above stated recommendations and a revision to the standard agreement that further reflects those conditions. Approval shall be subject to the terms and conditions specified in the revised policy entitled "Policy for Rescinding Irrigation Service Abandonment". By action dated January 13, 2015, which amended the Policy for Rescinding Irrigation Service Abandonment, Owner is not subject to a one-year waiting period for the Subject Property to receive District water.

With regard to APN 249-160-06 (belonging to Santos), it is recommended that the Board authorize the General Manager to rescind agreement as to APN 249-160-06 which was inadvertently added to the agreement. The motion passed 5 to 0 by the following vote:

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

Item #4 – Discussion of status and next steps in process to annex the Robert Miller property, APN 205-060-20 and the G & E TeVelde Orchards, LLC properties, APN 245-260-12 and 245-260-13

General Counsel Steve Emrick stated that this item could be discussed in open session and other related issues could be discussed in closed session. He said the Board had previously authorized staff to submit applications to LAFCo for annexation of the Miller and TeVelde properties. LAFCo recently advised the District that it could not process the Miller and TeVelde annexations and returned the applications. Before LAFCo can consider annexations for these two properties, SSJID would have to complete an environmental review and obtain LAFCo approval of necessary changes to the sphere plan for the affected areas and modify the Municipal Service Review accordingly.

Mr. Emrick reviewed a few options for the Board to consider. They are listed below:

- 1) Proceed as originally planned and authorize staff to engage the firm of Mintier/Harnish to assist the District with the process to modify the sphere plan and Municipal Service Review.
- 2) Consider the Miller and TeVelde annexations on hold; consider going ahead with a review of the Miller property to plan for interim water service.
- 3) Form an Ad Hoc committee of the Board of Directors to further discuss and review the annexation process.

A motion was made by Director Holbrook and seconded by Director Kamper to table this item and discuss it in closed session. The motion passed by the following vote:

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

Item #5 – Discussion regarding formation of a Groundwater Sustainability Agency (GSA) through a Joint Powers Agreement

Mr. Peter Rietkerk, General Manager, reviewed a draft Joint Exercise of Powers Agreement (JPA) establishing the Eastern San Joaquin Groundwater Authority with the Board. He said that San Joaquin County convened a group to guide development of a Groundwater Sustainability Agency (GSA) for the Subbasin. He stated the proposed JPA would be established as a separate entity and would not be managed by the County. Members of the JPA would mostly be a GSA

which is an agency enabled by SGMA (Sustainable Groundwater Management Act) to regulate a portion of the Subbasin cooperatively with all other GSAs in the Basin, in compliance with the terms and provisions of SGMA. Mr. Rietkerk noted that there is specific language in the Joint Powers Agreement to protect water rights. The members of the JPA would work together in mutual cooperation to develop a Groundwater Sustainability Plan or (GSP) in compliance with SGMA, for the sustainability management of groundwater for that portion of the Basin underlying the members of the Authority. He said if SSJID does not approve of the plans of a GSA, the District would have the right to pull out. If the District were to pull out of the JPA, it would be entitled to the information that was accumulated. The JPA agreement is to promote collaboration between all agencies and could provide additional shielding from liability.

There will be final discussions at the next GBA meeting on February 8. The plan is to bring this item back to the Board of Directors for action at a public hearing on February 28.

This item was for information only and no action was taken.

Item #6 – Consider nullifying inflation index for 2017 pressurization rate

Mr. Lindley reviewed the pressurization rate for Division 9 pressurized system that the Board had approved at their meeting of February 23, 2016. He said the adopted pressurized rate includes an inflation index for the cost of electricity. Each year, the inflation index automatically increases or decreases the electricity portion of the rate. He explained the electricity cost inflation index is the change in the cost of electricity experienced by the Division 9 pressurized system during the last calendar year. He said the Board has the authority to nullify the inflation index provision each year. Therefore, the Board can decide whether to approve a motion to leave the electric cost portion of the pressurization rate at \$34 for 2017, or take no action and let it decrease to \$31 per acre-foot for 2017. He reviewed a comparison of the cost of service for the years 2014 through 2016. The comparison shows the decline in power cost from \$234,369 for 2015 to \$210,941 for 2016. He also investigated the cost decrease. Mr. Frank Avila attributes the decrease to two causes: less water was delivered during 2016, and more importantly, the system was operated more efficiently in 2016 in reference to energy usage and electric rates.

The Board agreed it is best to not take any action and allow the cost to decrease and thereby allowing a reduced rate for the District's customers.

Item #7 – Directors report from Mid Pacific Water Users Conference

Director Roos reported that David Murillo, Regional Director, with the U S Bureau of Reclamation, spoke on the biological opinion on the coordinated long-term operation of the Central Valley Project and State Water Fix Project. They are working with stakeholders to ensure the bureau's decisions can withstand court challenges. He said the Water Fix stakeholders meeting will be on February 9. They also discussed the twin tunnels. Despite the rain, it was noted that New Melones is still less than 50% full.

Director Kuil said they discussed the urgent need for groundwater and how pumping of groundwater is being closely monitored. He said there are WaterSMART water and energy efficiency grants available that provide a cost-shared funding for projects that save water; increase energy efficiency, and the use of renewable energy in water management. He suggested

the District look into applying for these funds for its pressurized system. Both Directors Kuil and Roos enjoy this conference because it revolves around the growers.

Item #8 – Communications

Director Holbrook attended the Advisory Water Commission meeting where they held a discussion on proposed changes to the Bay Delta Water Quality Control Plan. They discussed the Bay-Delta Estuary, and a proposal to update water quality requirements for salinity in the Delta and water flows in major tributaries to the San Joaquin River. He stated the outgoing Obama administration ordered federal agencies to set a timeline on the Delta tunnels by issuing permits this spring. He said most lakes are doing well with the rain.

Director Kuil said there was a good article in the Modesto Bee on Sunday written by Bob Holmes and Steve Webb regarding FishBio research on the Stanislaus River.

Director Holmes thanked his fellow Board members and said that he enjoyed the last two years serving as President of the Board of Directors. He said since January 1, 2017, the rate of inflow into New Melones is more than it has been since 1983, which was one of the wettest years.

Ed Erisman, Water Treatment Plant Manager

- Schneider Electric is at the plant today working on the fault on inverter #5 at the solar farm.
- During the last round of storms, the log booms on the east side of the water quality wall were damaged. Staff is expecting our new boat to be delivered sometime in the next month and prefers to wait until it is received. He prefers not to rent a boat in order to make the repairs to the wall.
- The repair of the interior coating of treated water reservoir #2 is scheduled to start on February 27. Advanced Industrial Services was scheduled to start the work on February 13, but due to the amount of rain water in our overflow basins, the date had to be pushed back.
- The new Operator in Training employee, Justin Romero, started work on Monday, January 23.

Bere Lindley, Assistant General Manager

- Normally the financial statements are presented at this meeting, however, the finance department has not received all of the invoices from December so they will be presented at a later meeting.
- The second staff meeting on Strategic Planning will meet next Thursday. The meetings are going well and they are working on strength finding.
- He is spending a lot of time with labor costing.
- TriDam annual distribution will be \$6.7 million.

Walt Luihn, Environmental Compliance and Safety Officer

- Reported that hazardous transite asbestos pipe had been dumped into our drain water system at Drain 5 and on the FCOC. Nine pieces were dumped into the FCOC upstream of Drain 5. Ten pieces were dumped into Drain 5. The pipe segments were 4 to 6 inches in length; approximately 190 feet were found in our system. The pipe segments are

intact, so the asbestos is not friable. GHD Contractors are onsite removing 14-inch asbestos pipe on another project not related to SSJID and they have given us a quote to remove and dispose of the transite pipe found in our system. The cost to have the pipe removed is approximately \$14,000.

Troylene Sayler, Public Relations Director

- The Boys & Girls Club Crab Feed was a successful event thanks to all. Major sponsors of the event were Stantec, MCR, and Quincy Engineering.
- On Wednesday, January 25, John Holbrook, Peter Rietkerk, and Troylene will attend the Manteca's State of the City event.
- Margo Van Voorst will retire next Tuesday and a potluck will be held. She encouraged the Board to come and say their goodbyes.
- San Joaquin Farm Bureau Annual Wine Tasting Event will be held on Thursday evening, March 16 at the Robert Cabral Agricultural Center.
- Sand Bar bond payoff celebration dinner will be held at the Oakdale Country Club on Saturday, February 11.
- Employee Annual Appreciation Dinner will be held on Friday, March 3, at the Manteca Transit District.

Sam Bologna, Engineering Department Manager

- GBA/SGMA: He attended the Ad Hoc committee where they discussed groundwater modeling.
- Grant opportunities are available for Division 9 project and SCADA system.
- Water operations staff is helping out in the engineering department.
- There was a cave in on the main supply canal.
- Processing structure permits.
- Reviewed annexation status.

Peter Rietkerk, General Manager

Water Supply Update

- San Joaquin River 5-Station index is currently at 42.3 inches of rain (avg 40.8 inches) and 228-percent of average for this date.
- Sacramento River 8-Station index is at 52.9 inches, and 217-percent of average for this date.
- Snowpack: Current central sierra snowpack sensors indicate that snowpack is currently at 180-percent of average for this time of year and nearly 100-percent of the April 1st average.
- New Melones storage is currently at 955,902 AF (01/23), or 39-percent of capacity. The reservoir has gained approximately 328,000 acre-feet (13-percent of total storage capacity) and over 50 feet in elevation since January 1st.
- For the San Joaquin 5 Station index, 50-percent of the average annual rainfall falls during the months of February onward in the water year, meaning that statistically, we still have over half of a rainy season to go.
- PDSI – Palmer Drought Severity Index -2.0 is an indicator of relative drought.

Sustainable Groundwater Management Act

- GBA SGMA working group wants final comments on what appears to be the final document by February 1. We are circulating this document to the Board and to Valerie Kincaid for review and comment.
- SSJID has coordinated its boundaries with the Cities of Manteca, Ripon, and Escalon. We are currently reviewing draft final boundaries for formation of a GSA with a revised boundary to include the City of Ripon and exclude the City of Escalon and Manteca.
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Meetings and Events

- Manteca Rotary Presentation 01/12/2017
- Soroptimist Ripon Presentation 01/17/2017
- Labor Contract Negotiations 01/23/2017
- Rotary Super Bowl Omelet Breakfast – Sunday, February 5, 2017

General Counsel Emrick announced that all items listed under Closed Session will be discussed.

Item #9 – Closed Session

9. a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
 - 4 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
 - 1 case

- c. Conference with Legal Counsel – Existing Litigation
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
 - 2 cases
Pacific Gas & Electric Company vs. San Joaquin LAFCO
Superior Court for San Joaquin County
Case No. 39-2015-00321743-CU-JR-STK

SSJID vs. Pacific Gas & Electric Company, A California Corp., et al.
Superior Court for San Joaquin County
Case No. STK-CV-UED-2016-0006638

- d. Public Employment
Title: Associate Counsel

- e. Conference with Labor Negotiator
California Government Code Section 54957.6
Agency Negotiator: General Manager
Employee Organization: I.B.E.W. Local 1245

- f. Conference with Real Property Negotiators pursuant to
California Government Code Section 54956.8
Property: Water
Agency Negotiator: General Manager
Negotiating Parties: SSJID, United States Bureau of Reclamation
Under Negotiation: Price and terms of payment of sale

- g. Threat to Public Facilities
California Government Code Section 54957(a)
Consultation with IT Systems Administrator on Cyber Security

Upon their return from Closed Session, it was announced that there were no reportable actions taken in Closed Session.

Director Roos left the meeting at 1:00 p.m.
Director Kamper left the meeting at 1:20 p.m.
Director Holbrook left the meeting at 1:45 p.m.

Item #10 – ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned at 2:20 p.m.

ATTEST: _____
Betty Garcia, Clerk of the Board