

Manteca, California
April 28, 2015

The Board of Directors of the South San Joaquin Irrigation District met in special session in their chambers at 9:00 a.m. President Holmes 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 Jeff Shields, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Executive Secretary Betty Garcia.

Public Comment

Mr. Dedini stated that he was declined to pump water from his well into the TA lateral. Director Holmes informed Mr. Dedini that the Board had approved a pump use policy that addresses his issues. He was referred to Julie Vrieling in the engineering department.

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$198,963.69; A/P wires in the amount of \$246,659.77; payroll dated April 17, 2015 in the amount of \$188,375.95.
- B. Approval of the special Board meeting minutes of April 13, 2015.
- C. Adopt amended Policy to Discourage Unlawful Use of District Water.

Director Holmes noted on page 5 of the minutes under his report that the word “attended the Tri-Dam Project” should be “reminded the Board of the Tri-Dam Project.”

Director Holbrook noted on page 3 of the minutes, on item #3, bullet #6, the word “water” is listed twice and needs to be corrected.

A motion was made by Director Roos and seconded by Director Kuil to accept the Consent Calendar, with the above noted changes and 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 – Water Supply Forecast

Mr. Shields, General Manager, distributed materials and discussed the projected water budget for 2015. He said the balance in the conservation account is 77,107 AF. He indicated that Oakdale Irrigation District is doing a good job keeping the spills down. The Water Treatment Plant is also curtailing water to the cities. He noted that the city of San Francisco is having issues with their water supply and they are seeking water from anyone and everyone. He discussed the reservoir conditions, the Tri-Dam operations report, and the District’s diversions. He praised the newly formed consumption task force of District employees and said they are doing a great job.

Item #2 – Accept quotes from Engineered Monitoring System, Inc. to install automatic fire sprinkler system in the maintenance building

Mr. Ed Erisman, WTP Manager, said that only two companies are capable of integrating the proposed fire system into the existing control panel and believes that Engineered Monitoring System, Inc. would be the best company to perform the work.

A motion was made by Director Kamper and seconded by Director Holbrook to approve staff’s recommendation to accept the quotes from Engineered Monitoring Systems, Inc. in the amount of \$34,889 to install the sprinkler system and integrate it with the existing system in the new maintenance building. Motion passed 5 to 0 as follows:

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

Item #3 – Approval of Blankinship & Associates, Inc. scope of work proposal to assist with NPDES requirements

Mr. Walt Luihn, Safety & Environmental Compliance Officer, stated the District used Blankinship last year because the position of environmental compliance and safety officer was vacant. He would like to have the firm’s assistance for this year.

A motion was made by Director Kuil and seconded by Director Roos to approve the proposal from Blankinship & Associates, Inc. for time and materials in an amount not to exceed \$52,200 to perform the work needed to keep the District in compliance with the Statewide General National Pollutant Discharge Elimination System (NPDES) for the residual aquatic pesticide discharges and also to provide training procedures to the Safety & Environmental Compliance Officer on how to collect and submit water samples for analysis. Motion passed 5 to 0 as follows:

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

Item #4 – Consider allowing allotment transfer amendments in the event of allotment reductions

Mr. Bere Lindley, Manager of Administration and Finance, gave a summary of measures the Board has approved to help SSJID irrigators get through this drought year. He informed the Board that the District website lists the six (6) major programs to help its farming community cope with the continuing drought during the 2015 irrigation season. The following programs have been established:

- Adopted a 36” per parcel drought allotment, which is a limit on irrigation water deliveries, in order to make our limited supply last through this season, and possibly augment next year’s supply.
- Established a Master Account for allotments that enables a grower to combine the water allotments of all the fields he farms and decide where to use the water.
- Established a program for transfer of allotments among parcels so farmers can increase their allotment by making a transfer agreement with another farmer.
- Approved a program to transfer water from a private well to any location in the District, regardless of which lateral they use, or whether they are upstream or downstream from the well.
- Made growers’ water use history available for them to review on our website.
- Provided a consumption review service to address concerns about the accuracy of the record of our growers’ consumption.

Mr. Lindley requested a modification to a board approved rule that makes all allotment transfer agreements irrevocable. This rule was adopted in order to keep SSJID from getting drawn into disputes between the parties to a transfer. He said an irrigator had called to say he is considering an allotment transfer agreement, but if SSJID reduces the allotment for some reason later in the season, then he would not have enough water and he would regret the transfer. He proposed allowing the rescission of a transfer agreement subject to the following conditions and requirements:

- As a preceding condition, the general drought allotment has been reduced by the Board of Directors.
- All parties to the transfer must agree to unwind it by signing a transfer rescission agreement.
- The amount of allotment recovered from each destination parcel is the amount originally transferred to the destination parcel or if less, the amount of allotment remaining unused on the destination parcel.
- The amount of allotment restored to the source parcels is the amount recovered from the destination parcels.
- If there is more than one source parcel, the amount of allotment restored is distributed among the source parcels in proportion to the original transfer.
- Once rescinded, a new allotment transfer agreement can be made.

A motion was made by Director Holbrook and seconded by Director Kamper to approve this proposal.

Motion passed 5 to 0 as follows:

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

Item #5 – Presentations of Quarterly Financial Statements

Mr. Lindley presented a review of the March 31 financial statements. He noted that we surpassed the debt service coverage requirement for 2014 by a generous margin, and we expect to satisfy this bond covenant more easily in 2015.

Item #6 – Presentation of Quarterly Investment Reports

Mr. Lindley reviewed the investment reports with the Board.

Item #7 – Directors report from CMUA Conference

Director Holbrook reported that San Diego had to make 50% cuts in their water and they now have seven different sources for their water. They pay over \$1100/AF for water. There have been 17 lawsuits in the changes that San Diego Gas & Electric is making and they are passing those costs to their consumers at 3.5% increase to their costs. It was reported that many of the customers who chose solar power are being charged excessive fees. Many of the cities are trying to solve their own water issues but are experiencing desalination problems. It was also reported that there are groups who want to do away with natural gas to decrease carbon emissions. He said it was a good conference but not very positive.

Director Roos attended the water manager’s breakfast and Mr. David Murillo, Regional Director with the Bureau of Reclamation gave recognition to Jeff Shields for his negotiations with the Bureau. He reported that Southern California wants to build another desalination plant to the tune of \$1 billion and will only produce 55,000 AF of water that will be sold at \$2000 AF. He mentioned an article in the CSDA publication that refers to seeking safe and accessible water but makes no referral to water storage.

Item #8 – COMMUNICATIONS

Director Holbrook asked which of the board members will be attending the upcoming Hydrovision International Conference that is being held in July. Mr. Holmes said he may attend.

Director Kamper said that his son purchased a pressure bomb for approximately \$1000 which is an instrument used to measure the approximate water potential of plant tissues. A leaf attached to a stem is placed inside a sealed chamber and pressurized gas is added to the chamber slowly. As the pressure increases at some point sap will be forced out of the xylem and will be visible at the cut end of the stem. The pressure that is required to do so is equal and opposite to the water potential of the leaf.

Ed Erisman, Water Treatment Plant Operations Manager

- Jason McCulloch, a T4 Operator, created a scaled down model of the WTP for presentation at community outreach events. The model will be used at the Manteca City Schools Earth Day event this Thursday.
- The WTP experienced 5 power outages this month. They have been short; under 10 minutes and most likely due to work on the PG&E substation at Henry and Dodds Road.
- Justin Ashworth is attending the California Rural Water Association conference in Lake Tahoe this week. He will represent the WTP in the California's Best Tasting Water contest.

Don Battles, Utility Systems Director

- In 2010 and 2011, the District was selling renewable energy credits to Shell Energy. Since 2012 we have not been able to sell any RECs. We have recently been approached by another firm that has an interest in buying our RECS starting with July, 2013 on. He should know more for the next meeting.

Troylene Vallow, Communications Coordinator

- She distributed thank you letters from the non-profit agencies that the District has been able to sponsor.
- Escalon Wine Stroll was held on April 24, 2015.
- Planet Party Day is being held on April 30 in Manteca and over 2000 students will participate in the event.
- Friday, May 1, the Boys & Girls Club will host a golf tournament. Both Directors Roos and Holbrook will participate in the event.
- On May 11, the Boys & Girls Club will hold their annual Hall of Fame event.
- San Joaquin Farm Bureau will hold their 101st annual meeting on Friday, May 8 at the Robert Cabral Agricultural Center.
- "Not Forgotten" is a major Memorial Day event which will be held in Manteca on Sunday, May 24.
- San Joaquin Ag Festival will be held at the San Joaquin County Fairgrounds on June 16 – 20, 2015.
- District is continuing to post emergency drought information to its website and includes flyers in its monthly billings; these flyers give updates of what is happening at SSJID.

Joe Catanzarite, Operations Water Supervisor

- Water level at Woodward Reservoir is at 210 AF.
- Rick Hinkley's replacement is Travis Shahan. Greg Wallace was moved to the MDC and Andrew McDonald was pulled from the yard to work in Division 2.
- Reported there is a lot of activity near the District's Main Supply Canal staging areas and some of the farmers are taking over that area. Both Tony Encalade and John Briggs have been going up North as there is much work for them to do there.

Sam Bologna, Engineering Department Manager

- On April 15 & 16, the District hosted Douglas Gayeton with an organization called the Lexicon of Sustainability was given a tour of District water operations that focused primarily on water practices in Division 9 versus water operations in other areas of the District. Mr. Gayeton took a number of photos and interviewed staff and farmers regarding their irrigation practices. His organization is a non-profit agency that focuses on public education regarding food supply. He plans to feature the Division 9 project and Ag water practices in our District in his next book and possibly in the future PBS programs.
- He attended the ACEC 2015 event in Washington, DC and the District was recognized for its Division 9 Pressurized Irrigation System.
- The test well information the District received from the recently drilled test well indicated that the new well location was no better than the previous test well and the only way to increase yield in this location is to drill a second well. We plan to proceed with the deeper well at the existing location and discuss the possibility of drilling a second well at the next board meeting.
- Stantec is in the process of putting together a revised scope of work for the remaining tasks for the pressurized system study. The next phase will focus on more detailed economics of the preferred alternative and possibly look at a non-pressurized alternative.
- He is meeting with Union Pacific next week.

Jeff Shields, General Manager

- AB 1201 Predation bill calls for California Department of Fish & Wildlife to study predation. No funds and no direction on what action to take if predation is determined to be a threat. It does not direct the CDF&W Commission to do anything. The executive director at CDF&W already agrees predation is a problem but the Commission voted against allowing changes to bag and size limits. There is a large contingent of supporters and the District signed on to the support. There are the CSPA and GGSA groups opposed to even studying predation.
- Congressman Jeff Denham introduced a bill today that would transfer ownership of New Melones to local water and power providers. Those agencies include SEWD, Central, SSJID, OID, TID, MID, Union PUD, TUD, and Calaveras County Water District.
- Curtailment orders for post-1914 were issued on April 23. Some pre-1914 will likely be issued in the next couple of weeks. There is no impact to SSJID/OID since we are diverting from storage and even if we were diverting from a pre-1914 right, it would be for water under our earliest rights and there is not enough natural flow to fill even those basic rights.
- The drought on-farm task force consists of Julie Vrieling, Forrest Killingsworth, Tony Encalade, and John Briggs. This program is working really well. They have worked with over 50 growers on multiple parcels. Some want CFS measurements confirmed, some involve correcting data such as pump size. Others need suggestions on how to use less water.

The following structure permits were approved:

- Bob Christensen, APN 245-140-11, Lateral “R183dd”
- Robert Grossi, APN 229-110-27, Lateral “A”
- G&E te Velde Orchards, APN 245-260-13, Lateral “P”
- Stanley Vander Veen, Clifford Vander Veen & Donald Putz, APN 208-160-08, Lateral “NW Pressurized Line”

It was announced that item 9a, b, c & d would be discussed in Closed Session.

Item #9 – Closed Session

- a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
 - 1 case
- b. Public Employment
Government Code Section 54957
Title: General Manager
- c. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9 (d) (1)
Bonde v. SSJID
San Joaquin County Superior Court
Case No. 39-2013-00300234
- d. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9 (d) (1)
Cleo Johnson v. SSJID
San Joaquin County Superior Court
Case No. 39-2011-00268620

Upon their return from closed session, President Holmes stated there was no reportable action.

Item #10 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Roos and seconded by Director Kuil to adjourn the meeting at 12:04 p.m. Motion passed 5 to 0 as follows:

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

ATTEST: _____
Betty Garcia, Executive Secretary