

Manteca, California
August 23, 2016

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

DIRECTORS: HOLBROOK KAMPER KUIL ROOS
ABSENT: HOLMES

Also present were General Manager Peter Rietkerk, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Executive Secretary Betty Garcia.

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$1,190,241.10; A/P wires in the amount of \$233,609.22; payroll dated August 19, 2016 in the amount of \$184,428.98.
- B. Approval of the regular board meeting minutes of August 9, 2016.
- C. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Robert L. Miller, APN 205-060-30.

Steve Emrick noted on item #4 in the minutes, on page 4 of Resolution #2000-01-F amended on August 9, 2016, the line that reads "District shall publish notice each year in the local newspaper listed, should read, "District shall publish notice each year in the local newspaper listed above."

A motion was made by Director Roos and seconded by Director Holbrook to approve the Consent Calendar, with the above noted changes to the minutes. The motion passed 4 to 0 by the following roll call vote:

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

ACTION CALENDAR

Prior to action on item #1, Mr. Peter Rietkerk, General Manager, asked that a health care item be added to the action calendar for consideration. Our health insurance provider is recommending that we offer our employees a higher deductible option with a health savings account for next year and that September 1 is the deadline to advise them if we choose to offer this program. If passed, this item could be presented to employees during the upcoming open enrollment period.

A motion was made by Director Kamper and seconded by Director Holbrook to add the Health Benefits item to the action calendar as item #1B for the reasons stated by the general manager. The motion passed 4 to 0 by the following vote:

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

Item #1 – Consider acceptance of SSJID financial statement audit for 2015

Mr. Bere Lindley, Assistant General Manager, introduced Mr. Brian Nash. He stated that this would be the last year for Richardson & Company to perform the annual audits for SSJID.

Mr. Nash reviewed the audit findings for 2015 with the Board. He said the result of the audit was an unqualified or “clean” opinion, and that the scope of the audit was consistent with the engagement letter, there were no significant difficulties or disagreements with management, no new major issues were discussed with management prior to retention and to their knowledge, management had not consulted with other auditors. Richardson & Company noted significant improvement in separating duties over Lathrop Irrigation District (LID) billing services.

A motion was made by Director Roos and seconded by Director Holbrook to approve the audit results presented by Richardson & Company for 2015. The motion passed 4 to 0 by the following vote:

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

Item #1B – Consider addition of Consumer Driven Health Plan for open enrollment

Mr. Don Thornburg, Human Resources Analyst, introduced Mr. Ben Hayden, Senior Benefits Analyst, from the Association of California Water Agencies, Joint Powers Insurance Authority.

Mr. Hayden thoroughly reviewed a Consumer Driven Health Plan (CDHP) option for both Anthem and Kaiser with employer (HSA) Health Savings Account contributions of \$1,500 for single enrollees and \$3,000 for enrollees with dependents. In addition, employer will pay \$2.95 per month, per employee to the HSA plan administrator. The plan was discussed at great lengths regarding the proposed benefits. He said the CDHP is a high deductible health plan when coupled with an HAS, provides participants with a tax advantaged vehicle to meet current and future health care costs. Single employees can contribute up to \$3,400 per year and employees with a family can contribute up to \$6,750 per year and receive a tax savings of approximately 15%. Employees that are age 55 and older may contribute an additional \$1,000 per year. The main goal is to keep the rising costs of health insurance down.

A motion was made by Director Kamper and seconded by Director Holbrook to offer the Consumer Driven Health Plan, to SSJID employees for both Anthem and Kaiser and to contribute \$1500 for single enrollees and \$3000 for enrollees with dependents to the HSA for the 2017 calendar year, and for the District to pay the HSA administration fee of \$2.95 per month, per employee enrolled in the plan. The motion passed 3 to 1 with the following vote:

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

Item #2 – Consider selling price for surplus man-lift

A motion was made by Director Roos and seconded by Director Kamper to accept the offer of \$6,500 for the Genie TZ-34/20 manlift. The motion passed 4 to 0 by the following vote:

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

Item #3 – Consider approval of WTP Wonderware tag upgrade

A motion was made by Director Roos and seconded by Director Holbrook to accept the quote from Wonderware for a larger license for the software to monitor and control the various operations of the treatment plan and the turnout facilities. The motion passed 4 to 0 by the following vote:

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

Mr. Erisman gave his Manager's Report at this time:

- Staff found a repair technician for the variable frequency drive on the gate driver cards. The cards are one of the problems the staff has been experiencing at the Tracy Booster Station site along with the insulated gate bipolar transistor. A new card is \$1,800 with a 29 week lead time. The District spent \$450 per card to repair the radio cards and turnaround time was only one week. Staff will be installing a repaired card in the pump #2 at TBS this morning.
- Staff is reviewing the 35% design plans for the River Islands permanent tank site. Comments are expected to be made by tomorrow.
- Staff is currently reviewing the final draft of the Water Shed Sanitary Survey.

Item #4 – Consider approval of Maze and Associates to perform audit for 2016, 2017, and 2018

Staff recommends that Maze and Associates be awarded the bid to perform financial audit services for South San Joaquin Irrigation District for 2016, 2017, and 2018.

A motion was made by Director Roos and seconded by Director Holbrook to approve Maze and Associates to perform the audit for SSJID for 2016, 2017, and 2018. The motion passed 4 to 0 by the following vote:

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

Item #5 – Consider setting date for end of water season

Mr. Rietkerk noted that in order to benefit grower operations, as well as operations of Woodward Reservoir, the District should determine an approximate date for the end of the irrigation season, noting that any irrigation use in October would have an effect, but likely a very small one, on next year’s water supply.

A motion was made by Director Roos and seconded by Director Kamper to end the water season on Saturday, October 15, 2016 with staff having the option to end a few days earlier or later. The motion passed 4 to 0 with the following vote:

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

Item #6 – Consider approval of consultants for the development of a Strategic Plan for SSJID

Mr. Rietkerk reviewed a power point presentation with the board regarding the development of a Strategic Plan for SSJID. Strategic planning is an attempt by an organization to control its destiny rather than allowing future events to do so. The strategic planning process causes an organization to ponder questions like, “Are we doing things right?” and “Are we doing the right things?” He said in the beginning, we need a facilitator, and once the plan is in place, staff will eventually be able to make edits and/or changes to the plan. Mr. Rietkerk noted that mission, vision, and values (MVV) statements are foundational pieces of the overall strategic planning process. The MVV core statements are crucial not only to the development of the strategic plan, but also to the morale and culture of an organization such as SSJID. Mission, vision, and values statements provide definition, meaning, and inspiration in everything we do as a Board and as employees at SSJID. Director Holbrook supports and encourages employees to get involved in the process as they are the face in the community. SSJID is recommending a two-part approach to developing a strategic plan for SSJID. This approach includes utilizing two separate facilitators: one to work with SSJID in the refinement and definition of the mission, vision, and values statements for SSJID; and a separate facilitator to complete the remainder of the strategic planning process. Staff recommends Hometown Connections to facilitate the development of SSJID’s Strategic Plan. Hometown Connections has sufficient experience working with public agencies and a common-sense approach in working with Boards and staff of public power agencies. Staff is also recommending using FTM Leadership Services and Leonard Falter to

develop the mission, vision, and values piece for SSJID. Leonard Falter has over 30 years of experience in the telecommunications industry as a senior executive working through several large mergers and acquisitions. FTM's scope of services includes a 3-part leadership workshop, approximately 4-hours each time, to be completed over a 3-week period.

As currently scheduled, the mission, vision, and values components would begin by mid-September 2016, with completion by mid-October 2016. The timing of this is intended to provide for a rollout of the MVV statements by Safety Day 2016. The strategic planning effort would begin following Safety Day, by mid-November and it's anticipated to last 2 to 3 months.

A motion was made by Director Holbrook and seconded by Director Kamper to (1) approve a contract with FTM Leadership Services for \$13,550 plus travel expenses; and (2) to approve a contract with Hometown Connections for \$32,500 plus travel expenses.

The motion passed 4 to 0 as follows:

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

Item #7 – Consider request from Barton Ranch, Inc. to abandon District lateral B-245dd and allow an encroachment of District easement

Mr. Sam Bologna, Engineering Manager, stated that Barton Ranch, Inc. is leasing land that belongs to the Negley family. Mr. Barton would like to plant trees in the existing easement for the pipeline that dead ends on the property and has requested that the District consider abandoning the existing pipeline in place so that they can plant trees in the existing easement. Staff has reviewed the request and is also supportive of the request subject to the following:

- a) The owner signs an agreement assuming full responsibility for the abandoned pipeline (transfer agreement)
- b) The District retains the easement and the trees be allowed under a separate encroachment agreement (the purpose of retaining the easement is for potential installation of a pressurized line in the future. The trees would only be removed if the easement was needed for a new pipeline in the future).
- c) Mr. Bottini formally signs an agreement that he no longer wishes to receive water from the abandoned pipeline.

A motion was made by Director Roos and seconded by Director Kamper to approve staff's recommendations subject to the above referenced conditions. The motion passed 4 to 0 by the following vote:

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

Item #8 – Consider approval of request from Marty Harris to install a pipe crossing on Drain 10

Mr. Bologna explained that Mr. Harris plans to install 170 feet of 48” pipeline on a section of open drainage ditch (Drain 10) to allow for access between his two fields. Mr. Harris would have to obtain access permission from his neighbors and that the pipe becomes the District’s responsibility to maintain. The plans have been reviewed and are in conformance with District standards which also included inlet and outlet structures to be installed upstream and downstream of the culvert. Mr. Steve Emrick, General Counsel, inquired if a review of the ditch had been performed to ensure there is no environmental impact. Mr. Bologna will make sure this issue is researched.

A motion was made by Director Kamper and seconded by Director Holbrook to authorize approval of plans and issuance of a construction permit for work to be performed by a licensed contractor. The motion passed 4 to 0 as follows:

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

Item #9 – Consider request from Marvin Brocchini for District to quitclaim a portion of easement for Lateral “Ya”

Mr. Bologna stated that Mr. Brocchini has requested that the District quitclaim a portion of easement for Lateral “Ya”. A recent title report has indicated that a portion of District easement for Lateral “Ya” still exists on his property. Lateral “Ya” was relocated with the Terra Bella development several years ago but since this property was separate from that development, the easement was never quitclaimed. This easement is no longer needed since the Lateral “Ya” now meanders through the development to the west.

A motion was made by Director Holbrook and seconded by Director Roos to authorize the quitclaim of easement to the Brocchini Family Partnership, A California limited partnership, and to ensure there is no impact to the District. The motion passed 4 to 0 as follows:

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

Item #10 – Presentation of monthly financial statements for July 2016

Item #11 – Presentation of monthly investment report

Mr. Bere Lindley, Assistant General Manager, stated that he had no planned presentation for the financial statements or investment reports, however, stated that he is available for questions by the Board. He noted that he gives a more detailed report on his quarterly presentation of both the financials and investment reports. He distributed a handout of the investment reports.

Item #12 – COMMUNICATIONS

Director Holbrook attended the West Coast Hydro Users conference in Grass Valley. He said the conference was well attended. He stated that Karen Case, a SMUD employee, had to do construction in the wilderness area and had only a limited number of trips that a helicopter could be used and they eventually had to use mule trains to haul supplies. Tim Townsend explained the leakage that was at TriDam.

The Advisory Water Committee sent out “Save the Date” cards for the upcoming Coastal Cleanup Day to be held on September 17, 2016. The Advisory Water Commission hired a person to perform a cost study and they want San Joaquin County to pay a portion of this cost which is approximately \$22,000.

The State Water Resources Control Board is about to release a decision regarding the dedication of unimpaired flows on Merced, Stanislaus, and Tuolumne River watersheds from the confluence of the San Joaquin River upstream to the rim dams (New Melones, Don Pedro, New Exchequer). Dr. Rod Smith, of Stratecon, Inc. has been retained to prepare a written economic analysis of unimpaired flows economic impacts of unimpaired flows. The analysis will address these issues:

- Economic costs of water shortages
- Impact of water shortages on the local economy (gross output, income, employment, etc.)
- Impact of surface water on groundwater resources
- Impact on disadvantaged communities
- Impact on hydroelectric resources
- Impact on local recreation

There are two key components to Stratecon’s approach. First, Stratecon will study the “natural experiments” where Central Valley water users have already experienced significant reductions in available surface water supplies on local economies and groundwater resources. The object is to provide a “fact based” analysis of the impact of reductions in available surface water supplies on local groundwater resources and economies. Second, Stratecon’s study will be based on actual data in the study area (Stanislaus, San Joaquin, and Merced counties) on groundwater conditions, water use, recreation and hydroelectric power, including disadvantaged communities. To that end, Stratecon is working with representatives from the three counties to collect the necessary information.

Sam Bologna, Engineering Department Manager

- He welcomed Betty Garcia back and complimented Dawn Driesen on a job well done in Betty’s absence
- Capital improvements
 - Looking at a possible relocation of a portion of the Lateral A170dd to avoid removing a number of private valves on the Van Spronsen property
 - MCR is also working on helping the District to secure cost estimates for MDC project; bids should be ready for board consideration at their next meeting
 - Sent comments back to the County for the basin work at Rossier Road

- Conco West submitted all required documents for the pump installation project for the East Basin (Division 9 project). A notice to proceed was issued and we held a pre-construction meeting. Project should be completed by September if all goes well
- Met with Stantec to review work that they are under contract to perform related to setting up a web interface for billing at the pump sites that were recently put on SCADA. Testing was done of the frequency on the pumps at the Division 9 pump station to see if we can find a level that muted the sound. A level was found that seems to reduce the sound. I received a report that indicated the adjustments should not have an adverse effect on the pump operation.
- GBA/SGMA effort
 - Will be attending an Ad Hoc committee meeting in Stockton on Wednesday to discuss basin-wide modeling
- Encroachment issues
 - Plan to meet with Alldrin's representatives to review plans that they have submitted that will deal with erosion issues adjacent to the main supply canal
- City of Manteca
 - Attended a pre-construction meeting at the City regarding the FEZ project and the replacement of Drain 8.
 - Working with the City on a proposal for performing an updated capacity study of the FCOC
- Annexations
 - Have had dialog with TeVelde and Bob Miller regarding their pending annexations. They are in the process of reviewing the agreements that we have provided them.
 - Joe Cantanzarite and I had a field meeting with Barton to discuss where the best location for their proposed takeout. There are two locations that he is interested in annexing that totaled over 1,100 acres

Peter M. Rietkerk, General Manager

Water Update

- Water usage reports for weeks starting August 7 and 14 are included
- FishBio Rainbow Trout Survey Report 2009 – 2015 released last week shows a 75% decline in rainbow trout population from historical average from 2009 – 2014 of 20,000 to 2015 survey of 5,000 fish. Regression work was performed and it was discovered that temperature had greatest correlative relationship with population
- The Stockton East Water District transfer was completed on August 19

San Joaquin Tributaries Authority/Water

- Updated Substitute Environmental document is now slated for September 2016. Expectations are still 30-50% Unimpaired flow, February – June, with 40% recommended; 60 day comment period
- Tributary agencies and regional counties coordinating responses to Water Quality Control Plan (SED) when it is released

- On August 2, 2016, Reclamation and DWR sent letters to NMFS and USFWS requesting reinitiation of Section 7 Consultation addressing Long-Term Operation of the Central Valley Project and State Water Project.

Meetings/Events/Other

- August 11 – West Coast Hydro Users Conference
- August 16 – George Hartmann, San Joaquin County Ombudsman
- August 17 – SSJID, Cities of Escalon, Manteca, and Ripon; working group meetings regarding groundwater
- August 23 – San Joaquin Farm Bureau Water Advisory Committee meeting

Mr. Emrick reported that all items listed would be discussed in Closed Session.

Item #13 – Closed Session

- a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code 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
- 3 cases

- c. Conference with Legal Counsel – Existing Litigation
Paragraph (1) of subdivision (d) of Government Code Section 54956.9

- 2 cases

Case Name:	Pacific Gas & Electric Company vs. San Joaquin LAFCo Superior Court for San Joaquin County Case No. 39-2015-00321743-CU-JR-STK
Case Name:	SSJID vs. Pacific Gas & Electric Company, A California Corp., et al. Filed July 7, 2016 Case No. STK-CV-UED-2016-0006638

- d. Threat to Public Facilities
Government Code Section 54957(a)
Consultation with Mason Security Services, Inc. and District Counsel

- e. Public Employment Performance Evaluation
Government Code Section 54957
Title: General Counsel

- f. Conference with real property negotiator
California Government Code Section 54656.8
Property: Water
Negotiating Parties: SSJID, Stockton East Water District
District Negotiator: General Manager
Terms: Price and terms of payment of sale

- g. Conference with real property negotiator
California Government Code Section 54656.8
Property: Water
Negotiating Parties: SSJID, DWR, Bureau of Reclamation
District Negotiator: General Manager
Terms: Price and terms of payment of sale

Upon their return from Closed Session, it was reported that no reportable action was taken.

Item #14 – ADJOURNMENT

There being no further business to come before the board, it was moved by Director Holbrook and seconded by Director Kamper to adjourn the meeting at 2:16 p.m. The motion passed 4 to 0 with the following vote.

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

ATTEST: _____
Betty Garcia, Executive Secretary