

**MINUTES FOR THE SEPTEMBER 18, 2018
SPECIAL MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District met in special 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 KUIL ROOS
ABSENT: KAMPER

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

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$468,725.26; Accounts Payable Wires in the amount of \$2,967,008.10; and payroll dated August 31 in the amount of \$216,272.74; and payroll dated September 14 in the amount of \$221,795.85.
- B. Approval of the regular Board Meeting Minutes of August 28, 2018.
- C. Consider approval of Notice of Completion for Microwave Project.
- D. Consider approval of Notice of Completion for Vineyards Development.
- E. Consider approval of Notice of Completion for Schell Road House Demolition.

Director Holmes made a comment concerning the Minutes on page 11, regarding the vote after Closed Session to add item #C; Director Holbrook voted not to reconsider the item, so the vote should be corrected to approval by 4 to 1, rather than 5 to 0.

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

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

Item #1 – Communications

Director Holbrook discussed the Nutria (a large, herbivorous, semi-aquatic rodent) problem in the Delta. They are not a muskrat nor a beaver and can be identified by their reddish colored teeth.

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Director Kuil

- Reviewed an article from the Modesto Bee indicating that farmers may face water limits sooner than expected. Counsel Mia Brown explained that the article referenced is related to a recent court decision regarding groundwater restrictions on hydrologically-connected surface and groundwater systems, and Peter Rietkerk said that it is also related to SGMA laws regarding both surface and groundwater.
- Attended the ESJGWA meeting and at the next meeting discussion will be held regarding how to bring the water tables back up. He asked if the Board had any questions they would like him to discuss at the next meeting.

Director Roos thanked the District and its employees for all of their prayers and well wishes for his recent back surgery.

Director Holmes said the next Tri-Dam meeting will be held on Thursday, September 20 at Oakdale Irrigation District.

Ed Erisman, Water Treatment Plant Manager

- Reported the coating repair project for treated water reservoirs #1 and #2 at the WTP was completed and inspected last week. Overall the repairs were acceptable. A few problem areas that were identified by staff when the job was inspected and Joaquin Painting was contacted. They came to look at the problem areas and will be fixing them soon.
- Dried sludge from beds #2 and #4 was hauled to Forward Landfill. Bed #2 is now in service and bed #4 was used to hold the sludge from the stabilization basin and the dissolved air filter unit cleaning. Staff plans to have this additional sludge dried and hauled away before the winter rains start.
- Staff met with Carollo Engineering last week for the kick-off meeting on the pre-treatment study they will be conducting. Staff identified the technologies they would like Carollo to focus on such as UV disinfection, Ozone disinfection, chlorine dioxide disinfection, granular activated and powdered activated carbon units (GAC) and (PAC) as well as a review of enhanced coagulation using aluminum chlorohydrate, ferric chloride, and one additional alternative coagulant. The focus of this study is to determine which technologies would provide the best balance of reducing total organic carbons (TOC), taste and odor compounds without forming disinfection byproducts. In addition to these studies, Carollo agreed to add a review of the plant's existing solids handling operations and make recommendations on ways to reduce the solids and organics that are being returned to the process through the recycle system.

Bere Lindley, Assistant General Manager

- Has been spending much of his time drafting finance and accounting policies as part of the Strategic Implementation Plan that he will be bringing to the Board for their approval. He has been working on eight (8) different policies for Budget, Rates, Debt, Reserves, Capital Assets Funding, OPEB Funding, and the Pension Funding.
- He said he wanted to explain some ideas for the capital asset funding policy so the Board can begin thinking about them before a policy is presented for Board action. He said the

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capital asset funding policy will address the question of how to pay for big ticket capital asset replacements and improvements. The basic options are to save up the cost in advance or to borrow and pay debt service after purchasing the assets. The amount of money available for either option is the same. But, in one case the District earns money on the invested reserve, and in the other case pays interest on long term debt. Few agencies attempt to save in advance because it is difficult, especially if the agency is already in debt. Unlike most districts, SSJID is nearly debt-free and has sizeable reserves already. SSJID has not borrowed for capital assets since 1991, but has been paying for assets from reserves for the past 27 years. This was done by default, simply because the money was available. The future will call for a deliberate policy on this question because of the high cost of upcoming replacements and improvements. At a minimum, the District is facing a costly pipeline replacement program over the next 20 to 30 years. It would be best to think through this policy question carefully, well in advance of the need to pay for these capital assets. He said he will bring a draft policy for capital asset funding to the Board's finance committee to begin deliberation at the Board level.

Frank Avila, Irrigation Operations Manager

Water Department:

- Woodward Level is 209.01, the total in-flows from Tri-Dam are 400 cfs.
- Woodward power plant is down due to high elevations and low flows into the MDC; the Frankenheimer power plant continues to operate without any problems.
- Last two hired employees are doing very well, Nathan Walker finished his training and is now working alone as relief on Division 1&2 on the day shift. Patrick Mays is also doing an excellent job and is working as the night division manager in Division 1.

Maintenance Department:

- Continues to be very busy with everyday maintenance tasks.
- All eight (8) employees who were tested in rigging and signaling passed their tests and are certified.
- Staff is making progress at the Rosier Basin. Finishing up the sloping and the next phase of the project is to finish installing the connection pipe.
- Cleaned out the illegal dams throughout the FCOC in order to allow better drainage.
- Separation of concrete and dirt at Ripon Spill is almost complete; the next step will be crushing the concrete to be used as needed on roadways.

Shop Department:

- The welding department continues to fabricate the aluminum slides for the pour over walls.
- The installation of the new fuel dispensers and console is underway; they are waiting for the software to operate the pumps using key cards, when done, James will have a fixed schedule for the installation date.
- The newly implemented vehicle maintenance schedule and procedures appear to be working. There have been no significant mechanical breakdowns in the fleet this water

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season. The shop is also busy getting various vehicles and equipment ready for the maintenance season.

MDC/Telemetry Department:

- Staff is busy with day-to-day automation maintenance and water operations.
- Lloyd is attending a class this week on the HMI Ignition SCADA software.
- Staff is also working on the new actuators programs to improve the run time efficiency.
- All department supervisors have been busy preparing their budgets for the upcoming Budget retreat.

Forrest Killingsworth, Engineering Department Manager

- Capital Improvement Planning – Staff has been working closely with Water Operations and Maintenance over the last several weeks to redevelop the District 5-year plans for Capital Improvement Projects. So far, we have nearly 50 projects identified. These projects and the rest of the 5-year expenditures plan will be presented to the Board for approval in November.
- Construction Season preparation – Staff is very busy in the Engineering Department preparing for this year’s projects. They are making progress on designs for projects including:
 - 15 cut down pour-over walls
 - 4 float valve and automated gate projects
 - miscellaneous pipeline replacements
 - canal resurfacing
 - Main Canal slope stabilization
- Woodward Powerhouse Flooding Issues – Forrest Killingsworth met with Turlock Irrigation District (TID) last week to discuss potential flooding issues at the Woodward Powerhouse building that result from heavy rainfall events. It is likely the District will propose a multi-agency project involving Stanislaus County and TID to eliminate the issue. The project would likely be constructed next summer and could possibly be segmented into multiple phases.
- Great Wolf and Daniels Street Extension – We are waiting to receive updated plans for the Daniels Street Extension Project. The City of Manteca and Northstar Engineering are still considering various options to realign the FCOC. Potential alternatives could include installing culverts or even realigning the open ditch away from the future Daniels Street as an interim solution until the rest of the Family Entertainment Zone develops. More details will become available over the next month.
- District Innovation and Research Team – The group is continuing to organize themselves and has really started to identify their purpose and gain momentum. Chad Parsons is leading this committee and has attended the meeting to provide a brief update regarding the status of the Team.

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Peter Rietkerk, General Manager

Water Supply

Reservoir Storage

- New Melones inflow for WY 2017-2018 is 898,000 acre-feet and storage is **1,800,754 AF**, or **75-percent** of capacity.

News and Updates

- Steve Knell (OID) Tim O’Laughlin (Tri-Dam), Peter Rietkerk and Ken Robbins (SSJID) visited Washington D.C. from September 11-14, 2018.

The group met with a number of legislators and staff members representing:

- Senator Kamala Harris
- House Subcommittee on Water, Power and Oceans
- Congressman Kevin M^cCarthy
- Andrea Travnicek, Acting Assistant Secretary for Fish, Wildlife and Parks
- Congressman Ken Calvert
- Congressman David Valadao
- John Watts, Legislative Director for Senator Dianne Feinstein
- Congressman Tom M^cClintock
- Congressman Jeff Denham
- Congressman Jerry M^cNerney
- Congressman John Garamendi
- David Bernhardt, Deputy Secretary of the Interior
- Congressman Jim Costa
- Kiel Weaver, Assistant to The Speaker Ryan Paul for Policy
- Lane Dickson, Professional Staff at U.S. Senate Committee on Energy & Natural Resources
- Brenda Burman, Reclamation Commissioner

Discussions revolved around the Water Quality Control Plan, for both Phases. We met with McNurney’s office and proposed a local tour of the Stanislaus and the OID/SSJID area.

On August 17, 2018, Secretary of Interior, Ryan Zinke called for his Assistant Secretaries in Reclamation, Fish Wildlife and Parks to seek out projects that could be implemented immediately for California Water. OID/SSJID proposed the following projects:

- Change New Melones Index
- Warren Act Contract
- Rescheduling in New Melones

On September 10, McClintock, Denham, and Costa sent a letter to the EPA administrator urging a thorough review to determine if the California Water Quality Control Plan meets the threshold established under the Clean Water Act of being based on rigorous, sound science.

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A South San Joaquin Groundwater Sustainability Agency (SSJGSA) Board Meeting was held on September 5, 2018 to provide the SSJGSA Board an update on GSP-related activities. The Board also approved bylaws for the GSA.

Attending the CSDA annual conference next week September 24-26, 2018.

ACTION CALENDAR

Item #2 – Presentation and acceptance of 2017 audit

Mr. David Alvey, audit partner with the Maze & Associates Accountancy Corporation reviewed the District’s 2017 Annual Financial Report along with the auditor’s opinion letter. Mr. Alvey stated that the auditor’s report is a clean audit opinion and that there were no material internal control weaknesses. In regard to journal entries, he noted that no single employee should process a transaction without the involvement of another employee. This means a journal entry should always be reviewed and posted by a second employee and can then be approved by another employee to ensure internal controls. Director Holbrook stated what he liked about staff is that when an issue is brought to their attention, they immediately work on resolving those issues.

A motion was made by Director Holbrook and seconded by Director Holmes to accept the 2017 Financial Audit. The motion passed 4 to 0 by the following vote:

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

Item #3 – Consider proposal from CH2M Hill Engineers, Inc./Jacobs Engineering Group, Inc. to perform Phase 1 of the Water Master Plan development process

Mr. Forrest Killingsworth, Engineering Department Manager, gave a brief update of the status of the Water Master Plan development process. He indicated that staff has worked closely with CH2M to develop a work plan that will achieve the District’s objective related to future planning. He said the three-phase approach will provide several opportunities for the Board to participate in the project and to redirect the process and budget as necessary. He introduced Greg Eldridge, PE, with CH2M, who introduced members of his staff, Mark Leu, PE and Jason Smesrud, PE. He said that CH2M’s staff has the experience to develop a successful plan which is integrated and forward-looking. The consulting team can work seamlessly as an extension of the District’s staff, to focus technical efforts, and create an implementable cost effective plan. Mr. Eldridge explained the reasons for developing a Water Master Plan including:

- Meet the evolving needs of the growers and the District
- Address resource management challenges
- Enable the District and Board to evaluate choices and make informed decisions
- Provide for long-term financial viability
- Provides alignment of Board, staff, and customers on the direction of the District

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Mr. Eldridge described the three-phase process:

- Phase I – Initial Assessment
 - Goal-setting
 - Information Gathering
- Phase II – Plan Development
 - Continued Stakeholder engagement
 - Technical studies
 - Evaluation of alternatives
- Phase III – Evaluate and Implement
 - Compliance with CEQA/NEPA
 - Programmatic approach to streamline implementation

Director Holmes asked Mr. Eldridge if his firm has the ability to meet time schedules for staff and if this work also includes the Basin Plan. Mr. Eldridge says yes they can meet the District's goals. Director Holmes asked once the Plan is complete do the tools stay in possession of District staff and Mr. Eldridge says absolutely and it is important to CH2M to have District staff engaged in the process so that they will know how to work the tools. Director Holbrook like the successful plan points that CH2M created, such as, forward looking and that it is very important to look to the future in creating this plan.

A motion was made by Director Holmes and seconded by Director Holbrook to approve the proposal of Phase 1 of the Water Master Plan development process and to authorize staff to enter into a Professional Services Agreement with CH2M to execute said work at a cost not to exceed \$124,478. The motion passed 3 to 1 by the following vote:

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

Item #4 – Consider Health Insurance Benefits Renewal

Mr. Don Thornburg, Human Resources Analyst, informed the Board that the Health Advisory Committee met in August and unanimously voted to recommend approval of the renewal of current Medical, Vision, and Employee Assistance Plans (EAP) through ACWA JPIA; and the current Life, AD&D and Long Term Disability plans through the Lincoln National Life Insurance Company. The advisory committee is reviewing the District's self-funded dental plan in more detail to determine if plan changes may be appropriate and if so, what the estimated costs would be associated with those changes. A recommendation for the Dental Insurance portion of the health benefits package will be presented to the Board in October. Mr. Thornburg reviewed the proposed rates for 2019 for all of the health plans and said the renewal of the District's current health plan will result in an increase of about 1% based upon the current enrollment matrix. There will not be any change in the cost for the vision, employee assistance, life insurance, accidental death and dismemberment, and long term disability plans.

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A motion was made by Director Roos and seconded by Director Holmes to approve the renewal of current Medical, Vision, and EAP through the ACWA JPIA and to approve the current Life, AD&D, and LTD plans through Lincoln National Life Insurance Company. The motion passed 4 to 0 by the following votes:

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

Item #5 – Consider request from Van Groningen & Sons to exercise third year option regarding the lease of the SSJID property at Louise Road and Austin Road

A motion was made by Director Roos and seconded by Director Holbrook to extend the Agricultural Lease of the District-owned property at the northeast intersection of Austin Road and East Louise Avenue, and authorize the General Manager to execute the amendment to the lease agreement to extend the lease for the 2019 calendar year. The motion passed 4 to 0 by the following vote:

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

Item #6 – Consider request to cancel the regular Board meeting of September 25, 2018, due to a conflict in the schedules of the staff and Directors who are attending the CSDA annual conference

A motion was made by Director Holbrook and seconded by Director Holmes to cancel the regular Board meeting scheduled for September 25, 2018. The motion passed 4 to 0 by the following vote:

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

Item #7 – Discuss/Consider actions concerning the end of Irrigation Season

Mr. Frank Avila, Irrigation Operations Manager, stated that he had discussions with the farmers to seek their input regarding the end of the water season. Most of them agreed that October 15 would be a good time to stop running water. Director Holmes suggested that October 19 would be a good day to have the water end.

After a brief discussion, a motion was made by Director Roos and seconded by Director Kuil: The last day to run water will end at midnight on October 19. The motion passed 4 to 0 by the following vote:

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

Item #8 – Strategic Implementation Program update

Mr. Peter Rietkerk, General Manager, distributed an updated list of the Strategic Implementation Program (SIP) for 2019-2023. He said the SIP Program had been updated and projects were prioritized. Senior Management sought input of new projects from all of SSJID staff and many were received. Two meetings of the Strategic Planning Committee were held to vet and prioritize projects. Mr. Rietkerk explained the purpose of updating the SIP is to assure that SSJID’s priorities and projects necessary to implement the Strategic Plan are appropriate and that the projects stay relevant to the needs of the District’s customers, communities, and employees.

He said that staff will use the finalized list of priorities for development of the 2019 SSJID Budget, providing necessary financial information. Financial considerations of individual projects will be considered within the development and review of the 2019 budget.

Although no formal action was requested of the Board, Mr. Rietkerk did request Board input and comments regarding the projects proposed for 2019.

Item #9 – Consider approval of Cash Call for San Joaquin Tributaries Authority

Mr. Peter Rietkerk, General Manager, said the SJTA budget typically results in a cash call ranging from \$240,000 in 2016 to \$200,000 in 2017 and 2018. Given recent and anticipated actions taken by the State Water Resources Control Board, the SJTA is requesting an additional \$50,000 to support SJTA business through the remainder of 2018.

A motion was made by Director Holbrook and seconded by Director Holmes to authorize payment of an additional cash call in the amount of \$50,000 to the SJTA to support business activities through the end of 2018. The motion passed 3 to 1 by the following vote:

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

Item #10 – Financial Statements for August 2018

Statements were presented for information only; however, Mr. Lindley was available for questions.

Item #11 – Investment Reports for August 2018

Reports were presented for information only; however, Mr. Lindley was available for questions.

General Counsel announced that all items 12(a) through 12(e) would be discussed in Closed

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Session at 11:59 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

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

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Employee Organization: IBEW

The Board returned to open session at 1:56 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.

Item #13 – ADJOURNMENT

There being no further business to discuss, a motion was made by Director Holbrook and seconded by Director Roos to adjourn the meeting at 1:59 p.m.

The motion passed 4 to 0 by the following vote:

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

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