

Manteca, California
September 27, 2016

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

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL
ABSENT: ROOS

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

Public Comment

Mr. Marty Harris addressed the Board regarding the construction of Drain #10 pipe crossing to allow road access and adjacent crop load out dirt pad for the benefit of Terra Land Group (TLG), Fonseca Farms and Harris Ranches property interests. TLG has received permission from Harris Ranches to utilize the Harris Ranches property, as reasonably necessary, to allow alternative vehicular access to the TLG 230-acre farm property utilizing any and all access easements and real property that Harris Ranches is legally entitled to for access to any and all areas of the Harris Ranches farm property from Airport Way. Harris Ranches initiated discussions with SSJID and based on those discussions, Harris Ranches hired the VVH Consulting firm to design and engineer the Drain #10 pipe crossing in accordance with SSJID requirements. TLG is putting forth its best effort to secure alternative access so as to allow the City of Manteca SB5 dryland levee and McKinley Expressway decision making process to proceed without any need for the City of Manteca to consider or require any potential southern movement of the current position of the Reclamation District No. 17 dryland levee to accommodate TLG's current vehicular access from Woodward Avenue south to the TLG property.

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$386,474.19; A/P wires in the amount of \$367,914.89; payroll dated September 16, 2016 in the amount of \$194,990.69.
- B. Approval of the regular board meeting minutes of September 13, 2016.
- C. Approval to file Notice of Completion for the Monte Bello Estates Development.
- D. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Diana L. Franscella, APN 245-080-46.

A motion was made by Director Kuil and seconded by Director Holbrook to approve the Consent Calendar, as submitted.

The motion passed 4 to 0 by the following roll call vote:

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

ACTION CALENDAR

Director Holmes announced that item #5 would be discussed first.

Item #5 – Consider Resolution #16-10-W finding release of water for Fall Pulse Flow is categorically exempt under CEQA; consider approval of agreement with San Luis and Delta Mendota Water Authority, and Department of Water Resources for delivery of water to United States Bureau of Reclamation for Fall Pulse Flow

Director Holbrook stated this agreement was well done so that the District's water rights are protected. Director Kuil agreed and said if the District does not take this action that there is a possibility that the Federal government could take it. Mr. Steve Emrick, General Counsel, indicated that 8,000 acre-feet of water would be delivered to the Bureau at the end of September 2016. Director Kamper asked Mr. Emrick if item #10A.3 (Tulloch Enhancement Agreement with PG&E) of the proposed agreement is still in effect. Mr. Emrick believes it is no longer in effect. Mr. Steve Knell, General Manager of Oakdale Irrigation District, thanked Director Holmes for his support and for attending the emergency board meeting in Oakdale on Monday, September 26, 2016.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT RESOLUTION NO. 16-10-W
APPROVING A CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION
FOR THE
SOUTH SAN JOAQUIN AND OAKDALE IRRIGATION DISTRICTS'
2016 FALL PULSE FLOW RELEASE PROJECT**

WHEREAS, South San Joaquin Irrigation District ("SSJID") and Oakdale Irrigation District ("OID"), collectively referred to as "Districts", are California irrigation districts operating under and by virtue of Division 11 of the California Water Code; and

WHEREAS, Districts are co-owners of certain water rights on the Stanislaus River, including pre-1914 appropriative rights to divert water from the Stanislaus River for irrigation of the lands within the Districts, and various post-1914 appropriative rights to store Stanislaus River water in various reservoirs for diversion to irrigate lands within the Districts, as well as to generate electrical power; and

WHEREAS, the San Luis & Delta Mendota Water Authority (SLDMWA) is a California joint powers authority operating under and by virtue of Section 6500, et seq., of the California Government Code; and

WHEREAS, SLDMWA's member units are 28 water agencies representing approximately 2,100,000 acres of land within the western San Joaquin Valley, San Benito and Santa Clara Counties that receive water from the federal Central Valley Project ("CVP") under water service or exchange contracts; and

WHEREAS, the California Department of Water Resources ("DWR") owns, operates and maintains water collection, storage, conveyance and delivery facilities, including but not limited to the State Water Project ("SWP"), and delivers water to its water service contractors located throughout California; and

WHEREAS, sequential years of below normal and critically dry hydrology have resulted in dry conditions in the San Joaquin River Basin; and

WHEREAS, in accordance with the State Water Resources Control Board ("SWRCB") decision D-1641, USBR is required to release water from New Melones Reservoir to meet water quality and water quantity objectives measured at Vernalis; and

WHEREAS, D-1641 Table 3 Footnote 15 looks to have 28,000 acre-feet of additional flow during October; and

WHEREAS, the Districts' water rights are satisfied by and through the performance of a settlement agreement with the USBR (the "1988 Agreement") which requires the USBR to deliver water to the Districts at Goodwin Dam each year; and

WHEREAS, the Districts collectively received an allocation of 600,000 acre-feet under the 1988 Agreement in 2016; and

WHEREAS, based upon the USBR's final 2016 forecast, Districts are willing to make available up to 16,000 acre feet of its available water allocation as the result of the Districts' conservation efforts at New Melones Reservoir for release by the USBR at Goodwin Dam between October 1 and November 30, 2016 ("proposed Project") without reservoir refill criteria to meet the project's needs. Approximately 1,000 cfs per day, will be released by USBR with variations, up or down, depending on the status of flow at Vernalis; and

WHEREAS, such water to meet SWRCB's D-1641's objectives is in excess of the quantities necessary to satisfy the USBR's obligations under Appendix 2-E and RPA IV.2.1 of the National Marine Fisheries Service's Biological Opinion; and

WHEREAS, the release of supplemental flow in October and November will improve instream flow conditions for migratory fish in the Stanislaus and San Joaquin River and will have an incidental effect of improving water quality and water supply conditions in the Delta that can benefit CVP and SWP operations; and

WHEREAS, Department of Water Resources (DWR) and the SLDMWA are willing to fund the supplemental releases and to share the anticipated incidental water supply benefits to their respective water contractors; and

WHEREAS, the SLDMWA and DWR will pay OID and SSJID for every acre foot of water released into the Stanislaus River; and

WHEREAS, the proposed Project would utilize existing water conveyance infrastructure and no construction would take place; and

WHEREAS, after its independent review, the proposed Project has been determined by the Board of Directors to be categorically exempt from the California Environmental

Quality Act (CEQA) under 14 California Code of Regulations, Section 15301 Class 1(i) Maintenance of Stream Flow to protect fish and wildlife resources; and

WHEREAS, the water will be released at Goodwin Dam, which is located in Tuolumne and Calaveras Counties; SSJID is located in San Joaquin County and OID is located in Stanislaus and San Joaquin Counties; and

WHEREAS, SSJID is the custodian of the documents or other material which constitute the record of proceedings upon which this Board's decision is based, and the District office is the location of this record; and

NOW THEREFORE, BE IT RESOLVED, by this Board of Directors that:

1. The foregoing recitals are true and correct.
2. The proposed Project has been determined to be categorically exempt from CEQA under 14 California Code of Regulations, Section 15301 Class 1(i) Maintenance of Stream Flow to protect fish and wildlife resources.
3. A Notice of Exemption has been approved and is on file with the District's records.
4. The District's staff is authorized and directed to file a Notice of Exemption at the Clerk's Office (or other authorized place) of Stanislaus, San Joaquin, Calaveras and Tuolumne Counties and in the manner prescribed by the CEQA.

A motion was made by Director Holbrook and seconded by Director Kuil to approve Resolution #16-10-W finding the water release project to be categorically exempt from CEQA and authorize staff to file the notice of exemption with the county clerks of San Joaquin, Stanislaus, Calaveras, and Tuolumne. The motion passed 4 to 0 by the following roll call vote:

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

A motion was made by Director Holbrook and seconded by Director Kamper to approve an agreement to purchase release of water by and among the Oakdale Irrigation District, South San Joaquin Irrigation District, San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources; to declare water available and surplus as a result of conservation; and to authorize SSJID's General Manager to sign the agreement in the form presented with such non-substantial changes as General Manager deems necessary. The motion passed 4 to 0 by the following vote:

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

Item #1 – Consider board meeting holiday schedule for November and December

Director Holmes informed the Board that the first board meeting in November, is on Tuesday, November 8, which is Election Day. The San Joaquin County Registrar of Voters department will be setting up polling stations in the board room. He said the board meeting could be moved to Wednesday, November 9th or that the location of the meeting could be moved. Director Holbrook suggested the meeting be moved to another location at the District office. Director Holmes said it would be best to hold two meetings in November and due to the holidays, to hold only one meeting in December.

A motion was made by Director Kuil and seconded by Director Holbrook to change the location of the board meeting for November 8th to the shop and to hold the second meeting in November on the 22nd. There will be only one meeting on December 13th and the December 27th meeting is cancelled. The motion passed 4 to 0 by the following vote:

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

Item #2 – Consider approval of Amendment to Irrigation Service Abandonment Agreement for Agreement No. 269, Dave Boersma, APN 228-030-39. Also, consider request from Dave Boersma for District to abandon District Lateral “T”-250 dd, reserving an easement subject to an encroachment agreement for trees

Mr. Sam Bologna, Engineering Department manager, stated this land was previously signed off by Edgar Petrig on August 27, 1991. Mr. Boersma would like to amend the existing service abandonment agreement so that the property can be eligible to receive District water. He submitted a structure application and intends to sprinkler irrigate the property and the Water Department has approved the application.

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

- a) Lateral “T-250-dd” is capable of delivering flood water to the Subject Property through existing valve structures. If Owner desires to receive flood water, Owner shall be responsible for verifying that the valves are in operable condition and free of leaks. If improvements are necessary, Owner shall be required to obtain a structure permit from the District prior to proceeding with construction or modification. In this instance owner wishes to remove pipeline so he does not have any intention of flood irrigating in the future and will need to release the District from providing flood service as part of the Transfer Amendment.
- b) Sprinkler water can be made available to irrigate the Subject Property through SSJID Lateral “T-250-dd” so long as District can regulate water deliveries to its satisfaction. If at some point the Owner desires flood deliveries, Owner shall be required to install private facilities necessary to connect to the SSJID facilities and construct private facilities consistent with District’s Standard Plans and Specifications (“District Specifications”). Because Lateral” T” 250-dd” is a dead end line, Owner will be required

- c) to spill any excess water on Owner's property. The sprinkler sump will be required to have a spill outlet per District Specifications. Owner shall be required to obtain a Structure Permit from District prior to receiving District water.
- d) If the Subject Property is irrigated by flood, water use will be measured based on a time vs. flow calculation as determined by the District. The District shall reserve the right to require flow meter/meters, meeting the District Specifications, to be installed at the Owner's expense to accurately measure the delivered water to each parcel comprising the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter/meters. The Owner will be required to install the meter/meters according to the District's specifications 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/meters.
- e) If the Subject Property is irrigated by sprinkler, a meter per District Specifications will be required on the pumping system to keep a running total of water delivered. 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 the Subject 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 above.
- f) Owner is responsible for all costs related to providing service to the Subject Property, including standard water charges and back fees consistent with District policy.
- g) Conditions stated above shall be incorporated into the amended agreement.

A motion was made by Director Kamper and seconded by Director Kuil to:

- (a) approve the 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.
- (b) Release of pipeline subject to approval of downstream neighbor, in accordance with written transfer agreement.
- (c) District reserves the easement and the owner would need to sign an Encroachment Agreement for the trees.
- (d) Sunset offer on clause allowing removal of trees mentioned in agreement; offer by District expires in 1 year.

Motion passed 4 to 0 by the following vote:

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

Item #3 – Discussion and possible action relative to the ag lease on District’s property on Austin and Louise Avenue that is due to expire at the end of September

Mr. Bologna stated that Joe Machado has decided not to lease the property but he will disc the land and leave it in good shape. Sam suggested a possible alternative to a lease and that the District could reach out to the UC Extensions in regards to utilizing the property for research opportunities, such as, groundwater recharge or crop ET evaluation. He said perhaps storm water could be discharged onto the property during the off season for groundwater recharge. Board members liked the idea and referred this item to staff to explore proposals to obtain a multi-year agricultural lease or utilize it for a research project.

Item #4 – Discussion and possible action regarding various options for dealing with seepage issues on the MDC along Victory Road, including the possible acceptance of bid for the preferred option

Mr. Bologna discussed options such as lining the sides of the canal with Shotcrete, cement treatment of the canal slopes, building a cut-off wall, installing a French Drain, and placement of geotextile material and rip rap along canal banks. In reviewing all options, it is recommended that the District accept the bid for K. W. Emerson for installation of the cut-off wall as a means to resolve the seepage issue. It is also recommended that the District conduct further studies on the MDC, not only at this location, but throughout the entire system and come up with a more defined approach to canal improvements so the District can find the best fix for each section of the main canal with a more cost effective means of rehabilitation. Director Holbrook believes it is best to make good fixes on our canal. Mr. Rietkerk stated there are issues with using the French Drain option. After much discussion, the Board believes it is best to repair the seepage issues along the west bank of the canal from Drop #2 to the end of the low area approximately 1,200 feet north of Drop #2.

A motion was made by Director Holbrook and seconded by Director Kuil to reject the Shotcrete bids and to accept the bid from K.W. Emerson, Inc. to perform the cut-off wall option in the amount of \$54,508, providing that the work goes down to the hard pan. The motion passed 4 to 0 as follows:

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

Item #6 – COMMUNICATIONS

Director Holbrook stated there are a lot of Federal and State regulations being put upon the District and it is best to protect Tri Dam and address safety issues there. He said a Safety Officer is needed at Tri Dam.

Director Kuil agreed there a lot of safety and cyber issues regarding Tri Dam. He stated the Water Advisory meeting for next week has been cancelled.

Director Holmes stated that he attended the special meeting at Oakdale Irrigation District.

Ed Erisman, Water Treatment Plant Manager

- The asphalt at the Water Treatment Plant was re-sealed this past weekend and looks really good.
- Staff received bids for the repainting of the #2 Treated Water Reservoir. The low bid was \$349,000 which is much less than the other two bids that were approximately \$500,000. Staff will review the bids to ensure they are complete and that everything is covered. This item should be ready to present to the Board at their next meeting.
- The final draft of the Water Shed Sanitary Survey is complete and will be submitted to the Department of Water Resources prior to the November deadline.
- Stanislaus County removed the boat that sunk in Woodward Reservoir.

Bere Lindley, Assistant General Manager

- Budget kick-off meeting was held on Monday, September 26 and instruction was given on how to make entries into Springbrook. He noted that Peter Rietkerk has far more experience to bring to the budget process than a year ago when he had just started with SSJID. There was solid discussion for 1 ½ hours.
- Budget Retreat will be held offsite on Thursday and Friday, October 27 & 28. Peter Rietkerk reviews the requested budget line by line with staff. The budget is typically presented to the Board at a November meeting.
- Lindley plans to present the 5-Year Capital Expenditure plan to the Board prior to presenting the budget to them.
- He is developing a proposed Budget Policy for eventual consideration by the Board.
- Employees have been asked to review their job descriptions and update as necessary for the proposed salary survey.
- Attended the Northern California Power Agency (NCPA) annual conference at Squaw Valley. One of the speakers, John Doggett, with McCombs School of Business at the University of Texas, stated that utility scale battery storage is unlikely to become economically feasible within 20 years.

Troylene Vallow, Communications Coordinator

- Senior Citizens Center is holding a breakfast on Saturday, November 19. The Board members and staff usually meet and greet and serve the seniors. She asked the Board to let her know who is available to attend.

Sam Bologna, Engineering Department Manager

- MCR is making progress on finalizing plans for both proposed pipeline projects which will be completed soon.
- Working on getting comments back to Stantec and hope to have a presentation for the Board on their findings by the last meeting in October.
- Conko West is working on electrical for new pumps. It is estimated that the pumps with the variable frequency drives (VFDs) should be installed and ready to go in January. The frequency for the pumps on the existing system will be changed tomorrow.
- Regarding the GBA/SGMA effort, he will attend an Ad Hoc committee meeting in Stockton tomorrow to discuss SGMA related issues and on-going basin wide modeling.
- He has made progress on the Alldrin matter, but still working on issues related to the drainage in the canal.
- City of Manteca has approved the amendment to the storm drainage agreement that was previously approved by the Board. Staff has been working with the City to assist them in their efforts to accommodate their FEZ project by providing comments and a window of opportunity for them to install bypass pumping for the replacement of Drain 8. He continues to work with the City on a proposal for performing an updated capacity study of the FCOC.
- Julie Vrieling reports that she has received 100 applications to provide additional water this year from customers who have exhausted their allocations; the amount is equated to approximately 2,525 AF of additional water.

Peter M. Rietkerk, General Manager

Water Update

- Water usage reports for weeks starting 9/11 and 9/18 were distributed.
- New Melones storage is currently at 529,975 AF on 9/25, or 22% of capacity.
- National Oceanic and Atmospheric Administration (NOAA) called off the El Niño Southern Oscillation (ENSO) watch for winter as models suggested weakening La Nina conditions.

San Joaquin Tributaries Authority/Water

- Updated Substitute Environmental document (SED) was released on Thursday, September 15th.
 - 30-50% Unimpaired Flows (UIF) February – June, start at 40-percent with adaptive management to operate river releases within this range, depending on biological benefits and observations.
 - Assumes operation of New Melones reservoir with minimum pool of 700,000 AF to maintain cold water pool for critical fish habitat in the Stanislaus River.
 - Under 40-percent UIF:
 - The Stanislaus River would see approximately 79,000 AF of reduced diversions off of an average baseline of 639 TAF.
 - In driest of years 10-30 percentile dry years, diversion would be reduced below current baseline by between 140,000 to 273,000 AF.

- Numbers are aggregated on Stanislaus and do not consider individual water rights impacts, however, language points to potential water rights hearings and development of reductions based on seniority.
- Instream flow increases anticipated to be approximately 62,000 AF average annual.
- Expected acreage reduction for SSJID 2,277 acres (40%), 6,181 acres (50%).
- Economic losses for SSJID estimated at \$6M (40%), \$19M (50%).
- Plan minimizes economic losses across the region at \$65M average annual economic losses by assuming further shifts to higher value crops, and significant groundwater pumping to make up the surface water deficit.
- According to the plan, the ESJS Sub basin is approximately 50 TAF over-drafted with an average annual groundwater pumping baseline at 79 TAF. Under the 50% UIF, an additional 70,000 AF of groundwater would be pumped, increasing overdraft to approximately 120,000 AF (2.4X more overdraft).
- Plan does not offer suggestions for mitigation to meet SGMA requirements for the region.

SGMA Update

- SSJID has continued discussions with Ripon, Manteca, and Escalon. Cities are schedule to meet next week to discuss GSA formation and language to preserve and respect existing rights and authorities among the potential member agencies.

Meetings/Events/Other

- September 14 – GBA meeting, San Joaquin County
- September 21-23 – Attended the NCPA Annual conference. He said Sue Kelly from APPA was a great dynamic speaker who discussed Community Choice Aggregation which allows local governments and some special districts for which municipalization is impractical, to pool (or aggregate) their electricity load in order to purchase and/or develop power on behalf of their residents, businesses, and municipal accounts, but not to provide significant rate savings.
- September 26 – Budget kick-off meeting
- September 29 – Strategic Planning Mission, Vision, Values, kick-off meeting
- October 5 – CVP (Central Valley Project) preference power customer meeting
- October 5 – SJTA Manager’s meeting
- October 7 – Pardee BBQ with East Bay MUD
- October 24 – Tentative SJTA Commissioner’s meeting

Mr. Emrick reported that items #7A, B, C & D would be discussed in Closed Session.

Item #7 – 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
 - Phase 1 hearings on San Joaquin River/Delta Water Quality Control Plan
 before the State Water Resources Control Board

- 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. Conference with Real Property Negotiators pursuant to
 California Government Code Section 54956.8
 Property: Water
 Agency Negotiator: General Manager
 Negotiating Parties: SSJID, San Luis & Delta Mendota Water Authority, and
 Department of Water Resources
 Under Negotiation: Water transfer price and terms

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

Item #8 – ADJOURNMENT

There being no further business to come before the board, it was moved by Director Kamper and seconded by Director Kuil to adjourn the meeting at 12:25 p.m. The motion passed 4 to 0 with the following vote.

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

ATTEST: _____
 Betty Garcia, Executive Secretary