

Manteca, California
October 25, 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 Director Roos led the flag salute. Upon roll call the following members were noted present:

DIRECTORS: HOLMES KAMPER KUIL ROOS
ABSENT: HOLBROOK

Also present were General Manager Peter Rietkerk, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Clerk of the Board Betty Garcia.

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$202,224.74; A/P wires in the amount of \$527,224.69; payroll dated October 14, 2016 in the amount of \$192,465.08.
- B. Approval of the regular board meeting minutes of October 11, 2016.
- C. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Frances Vander Meulen, APN 245-180-22.
- D. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Edward & Terri Beeler, APN 229-030-25.
- G. Approval of consent to SSJID's entry of property to read and to maintain flow meter for John & Melinda Sikkema, APN 247-170-06.
- H. Approval of encroachment for PG&E at Evans Estates in Manteca.
- I. Approval of encroachment for PG&E at Woodward Estates in Manteca

Director Holmes said he had a conflict on items E and F and asked that they be handled separately from the rest of the consent calendar. Director Kamper stated that he had a conflict of interest with item #C. A motion was made by Director Kuil and seconded by Director Roos to consider item #E and #F under a separate motion and to approve the remaining Consent Calendar items as listed above. The motion passed 3 to 0 by the following roll call vote:

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

CONSENT CALENDAR (CONTINUED)

- E. Approval of consent to SSJID’s entry of property to read and to maintain flow meter for Steven & Jennifer Holmes, APN 205-240-25.
- F. Approval of consent to SSJID’s entry of property to read and to maintain flow meter for Robert & Teresa Holmes, APN 205-240-23.

Director Holmes left the room. A motion was made by Director Kamper and seconded by Director Roos to accept the above listed items and to find that these matters comes within Government Code Section 1091.5 (a) an officer or employee shall not be deemed to be interested in a contract if his or her interest is any of the following: (3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the body or board.

The motion passed 3 to 0 by the following roll call vote:

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

ACTION CALENDAR

Item #1 – Consider holiday recognition for staff

Mr. Peter Rietkerk stated in past years the Board has awarded staff with a monetary bonus and that last year the Board agreed to allow four days off with pay to employees near the Christmas and New Year’s Day holidays. Director Kuil was fine with the four days off but suggested that staff be given the Thursday and Friday before Christmas off and the remaining two days off the following week so that the office would not be closed the entire week.

A motion was made by Director Kamper and seconded by Director Roos to award, as holiday recognition to staff, four days off with pay beginning Tuesday, December 27 through Friday, December 30, 2016, with flexibility granted to supervisors to schedule the four days off at different times in order to accommodate the business of the District. The motion passed 4 to 0 by the following vote:

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

Item #2 – Update regarding the District’s Mission, Vision, and Values Statement Development

Mr. Peter Rietkerk reviewed a power point presentation and stated the District completed its mission, vision, and values (MVV) development process on October 18 and the process was

facilitated by Len Falter with FTM Leadership Services. He said there were 10 people who have been crucial members of the team tasked with the development of the MVV statements. The team consists of Frank Avila, Tony Encalade, Ed Erisman, Robin Giuntoli, Joe Hasten, Forrest Killingsworth, Bere Lindley, Peter Rietkerk, Troylene Sayler, and Board President Bob Holmes.

The Mission statement is “SSJID provides the utmost value for its agricultural, urban and business community by protecting and delivering vital resources with exceptional service.”

Our Vision statement is “As a premier organization, South San Joaquin Irrigation District is passionately focused on delivering high quality water and power that are integral to the communities we serve, while leading in innovation and sustaining a deep respect for our history, our employees, and our environment.”

The District’s core values are: Accountability, Excellence, Health & Safety, Innovation, Integrity, Positivity, Respect, Service, Teamwork, and Transparency.

Mr. Rietkerk stated the next step is to roll the Mission, Vision, and Values out to the entire organization at Safety Day. The MVV will be announced through newsletters, displays, and the District’s website. The strategic planning process will continue with Hometown Connections and the Board on December 19.

Mr. Forrest Killingsworth said the MVV process was positive and he would like to see these ideas spread throughout the company. Mr. Frank Avila said the process was a sobering experience and changed his perspective on how to apply these values to his own personal life.

Director Roos congratulated Mr. Rietkerk and the entire group on a job well done and he is impressed with the process. Director Kuil was happy with the process and especially like the values of respect and positivity.

Mr. Bere Lindley said it was a very enlightening process. In the beginning, staff expressed a certain level of dissatisfaction but there is a desire to reform the workplace culture. He stated that Tony Encalade wrote many of the sentences describing the values. Ms. Troylene Sayler noted that it would be a good idea when interviewing potential employees to keep the value systems in mind.

Director Holmes thanked Mr. Rietkerk for displaying leadership and thanked all of the participants for their role in the process. He stated the Board could help to set the foundation for the Mission, Vision, and Values statements.

A motion was made by Director Holmes and seconded by Director Roos to approve the newly developed Mission, Vision, and Values. The motion passed 4 to 0 by the following vote:

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

At this time, Director Holmes announced there would be a short break and then the Board would go into Closed Session. General Counsel noted that item 11A would be discussed in Closed Session.

Item #11 – 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

Upon their return from Closed Session, it was announced that there were no reportable actions taken in Closed Session. At this time, General Counsel announced that Board would go back into Closed Session to discuss items 11C and 11E.

Item #11 – Closed Session

- 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

- e. Public Employee
Title: Associate Counsel

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

Item #3 – Consider approval of amendment to 2016 capital expenditures budget to expand on-farm data collection system

Mr. Frank Avila, Telemetry Systems Manager, explained that using the Ignition Software allowed staff to upgrade 28 well sites and to transfer data directly to the control room servers has been beneficial for the On-Farm project. He stated the Ignition Software allows for unlimited use of tags and it adds the flexibility to deploy SCADA data with Division Managers, office personnel, the engineering department, and other staff who have permission to access this data. He said new screens will be designed in order to share the data with users and there is no need to purchase new software licenses. Staff estimates that approximately 380 hours will be needed in order for the contractor to design the HMI pages, to program the new system for start-up and testing of the modules.

A motion was made by Director Roos and seconded by Director Kamper to approve hiring the consultants to perform programming and testing of telemetry and to approve the budget amendment in the amount of \$42,500. The motion passed 4 to 0 by the following vote:

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

Item #4 – Consider approval of 5-year Capital Improvement Plan

Mr. Lindley explained that the plan has six (6) major components which are:

- a) Expenditures on canals and pipelines
- b) Projects related to real estate development
- c) Irrigation telemetry, SCADA, and control room projects
- d) Expenditures of the water treatment plant
- e) Purchases of vehicles and equipment
- f) Administration projects, mostly communications and information technology

Mr. Lindley explained that during preparation of the 2017 budget, the first year of the capital expenditures plan will get another close review by staff. He said that staff recommendations for how the district should respond to the pressurization study by Stantec and Davids may be presented at the next Board meeting on November 8. The current version of the five-year plan includes some assumptions about what repairs will be needed on the MDC, and those assumptions could change after the results of additional geotechnical studies are known. He said the proposed cost to the District in 2017 is \$3,211,405. The plan for 2018 – 2021 will change in future updates.

A motion was made by Director Roos and seconded by Director Kuil to approve the 5-year Capital Improvement Plan as presented. The motion passed 4 to 0 by the following vote:

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

Director Holmes asked Mr. Lindley to report on items #6 and #7.

Item #6 – September Financial Statements

Mr. Lindley provided a quarterly review of the Financial Statements. He discussed the balance sheet, revenues, expenses, and changes in net position.

Item #7 – September Investment Reports

Mr. Lindley briefly reviewed the Investment Report and was available for questions from the Board.

Item #5 - Sustainable Groundwater Management Plan update – Draft County Joint Powers Agreement for GSP formation discussion

Mr. Rietkerk discussed the Joint Powers Agreement stating it is non-controversial and meant to be limited. He stated that Valerie Kincaid, SSJID’s special groundwater counsel, participated in the JPA development on behalf of SSJID and has also provided comments to the group. He reviewed some of the key principles the attorneys group used in developing this draft agreement. He said the JPA is set to serve as an entity and could be the best effort towards developing the Groundwater Sustainability Plan (GSP). He said the SGMA working group has asked that the draft JPA be presented to our Boards for discussion, review, and comment. No action was taken.

Item #10 – COMMUNICATIONS

Troylene Sayler, Public Relations Director

- She reminded the Board that the Senior Breakfast is on Saturday, November 19 and asked who would be attending. Director Roos stated that he would attend.

Sam Bologna, Engineering Department Manager

- East Basin Well Project update: Conco West has made good progress on the installation of all infrastructure and electrical for new pumps. The pumps have been installed and we are waiting for the Variable Frequency Drives to complete the project. Testing and start-up should be done by mid-January.
- Grant opportunities: SWEEP-Prop 1 combined projects.
- Two parties are interested in renting the Louise Avenue property.
- GBASGMA: Will be attending Ad Hoc committee tomorrow to discuss SGMA related issues and on-going basin wide modeling. Received tech memorandum on sub-basin overdraft.
- TeVelde and Miller annexation agreements will be scheduled for last meeting in November.
- Development projects in the review process: Shadowbrook, Solara Homes #2, DeJong Estates, Vineyard Estates.
- Standard encroachment letters have been sent to growers who are in the process of planting new orchards.
- Attended CSDA conference in San Diego:
 - Ross Shafer, Emmy winning comedian and author spoke on how to stay relevant. It was a good message and I learned valuable techniques with regard to dealing with customers, constituents, and our teams. He emphasized the importance of thinking outside the box to find solutions and to encourage those who are trying to find innovative solutions.
 - Deborah Wilder discussed updates to prevailing wage laws and SB854 – any project over \$1000 is covered – even concrete delivery to contractor jobsites. As a District we are doing many of the requirements but we may need to evaluate to ensure that we are in full compliance.
 - Paying for capital projects using debt and bonds for paying for projects; low interest rates are attractive for long term financing.
 - Design build projects – session went into details regarding design build process and the pros and cons of design build projects and what qualifications there are to implement design build projects under new laws, SB-785.

- Building consensus for priorities – talked about importance of establishing core values and mission statement; setting responsibility and strategic planning for the future.
- Business contacts provisions – hints on how to structure agreements and mastering good governance.
- Bidding procedures and bid protests – gave a lot of useful information regarding bid requirements and processes and ways to avoid protests.
- CEQA law changes – AB 52.

Peter M. Rietkerk, General Manager

Water Update

- Final diversions were 183,000 Acre feet; As for conservation efforts it is the District’s 16th rank year.

SED Update

- Public meetings will be held locally in the region
 - December 16 – Stockton Civic Auditorium, SSJID and OID will attend
 - December 19 – Merced
 - December 20 - Modesto

Meetings/Events/Other

- November 1 meeting at City of Lathrop to discuss SED
- October 26 & 27 – Budget Retreat

General Counsel Emrick announced that items #D and #F would be discussed in Closed Session.

Item #11 – Closed Session

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

- f. Public Employee Performance Evaluation
Government Code Section 54957
Title: General Manager

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

Item #11 – ADJOURNMENT

There being no further business to come before the board, the meeting adjourned at 1:46 p.m.

ATTEST: _____
Betty Garcia, Clerk of the Board