



SSJID Fall 2010

Irrigation Newsletter

Volume 9, Issue 2

October 13, 2010

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- Saying Goodbye and Thanks to Retiring Director Bob Schulz
- Moving Closer to Retail Electric Hearing Date at LAFCo

2010 Water Season Ends on October 26

The harvest season is nearing an end, signaling the conclusion of another successful water year for SSJID customers. At their meeting on September 28, the Board of Directors determined that the 2010 water season will come to an end on Tuesday, October 26, unless significant early rain registers at SSJID's main office in Manteca before then.

The final runs will begin on Saturday, October 16. Each division manager will distribute water according to their normal rotation. It is important to understand that should you refuse water when your division manager makes his rounds, it will be your last chance

to receive irrigation water this year. Please plan accordingly.

Operations/Water Supervisor Joe Catanzarite reports that SSJID's 2010 water season went very well, with no



Division 2 Manager Shawn Ussery will be contacting his growers soon regarding the last run of the season. Ussery, who has worked for SSJID for almost two years, received compliments from growers in his division this season for his excellent customer service.

major breaks and fewer flood reports. "This is due to well-trained, effective employees and frequent line patrols," said Catanzarite. "Our new TruePoint software has proved to be a valuable tool

and we plan to provide ongoing, in-depth training to our staff to ensure that our water measurement efforts are accurate."

If you have any questions or concerns, please call Water and Operations Superintendent Joe Catanzarite at (209) 249-4634 during regular business hours (Monday through Friday, 7:30AM-4:30PM).

Water Rates & Billing for 2011 Season

On October 12, the Board of Directors set the water rates for the 2011 water season at \$24.00 per acre, keeping rates low for the last 10 years.

We will be sending out bills for the new water season during the second week of November. The first installment is due on December 20, 2010 and the second installment is due on June 20, 2011. A 10% late fee will be applied if the first installment is paid after December 20. An additional 5% plus a

\$5 fee will be added if an account remains delinquent past June 20, 2011.

Please be sure to include your billing coupon with your payment to ensure that the payment is credited to your account.

Recently we recorded liens on delinquent parcels. Each affected owner should have received a copy of the recorded documents in the mail.

If you no longer wish to receive water from SSJID,

please come into the District's Main Office and sign an Irrigation Service Abandonment Agreement. Call ahead for details regarding the necessary documents. Also, if you have recently bought or sold your property, please contact the District so that we can update our records.

Contact Luz Juarez, customer service representative, at (209) 249-4608 with any questions, concerns, or to receive additional information on your account.

Positive Response to SSJID Grower Survey

In recent years, there has been an increasing effort by growers to conserve water improve crop yields with the installation of more efficient irrigation systems and farming practices. At the same time, the District has made improvements to its current system to conserve water and provide better service. Looking to the future, the District is planning to construct further improvements to its

current system and to provide incentives to farmers to enhance their irrigation practices.

The District intends to work

more closely with growers to jointly pursue these conservation efforts, which will be beneficial in protecting our current water rights and complying with current regulations. California Law SBx7-7 took effect January 1, 2010 requiring all irrigation districts to account for water use by volume and to implement conservation plans by 2012.

To help with the development of a conservation program, we recently distributed a grower survey to get a better idea of our growers' farming practices.

Many of you responded to the survey, with 35% of the District's cropped area being represented. The majority of responses show a great interest in pressurized irrigation systems, conservation programs, as

well as incentives to promote conservation measures. Other findings include:

- Cropping in the District is dominated by almonds, for which pressurized irrigation is generally the preferred irrigation method
- Over 75% of respondent acres are farmed by landowners, suggesting that participants in the conservation program will be able to make long-term decisions to implement physical improvements to their land.
- The existing rotational delivery system limits the ability of growers to effectively implement desired conservation measures and in many cases presents challenges in optimizing irrigation based on crop water requirements due to limited flexibility in the frequency of irrigation.
- There is substantial interest in increasing flexibility in the frequency, rate, and duration of District water deliveries as well as interest in participating in a program to implement on-farm conservation measures; in particular, growers are interested in conversion to pressurized irrigation, turnout measurement, soil moisture monitoring,

and irrigation scheduling.

- Turnout measurement was ranked third among preferred physical improvements, and could provide benefits to both growers with respect to on-farm water management, and to the District including gaining experience with delivery measurement to aid in complying with the requirements of SBx 7-7.

- To the extent that responding growers use groundwater, most indicate that the increased flexibility in when and how long they can irrigate is the main factor when deciding to use groundwater instead of surface water.

- The majority of respondents decide when to irrigate depending on availability of water and visual crop indicators, and which flow rate to irrigate with based on the water delivery system constraints and past experience.

- Conservation measures most favored by responding growers are conversion to drip irrigation, soil moisture sensors/management aids, and reduced rates for those who make improvements.

- Key themes regarding benefits of pressurized irrigation over flood irrigation include

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Division 9 Pressurized System Nearing Bid Stage

With plans for the Division 9 pressurized system nearing the 85% completion stage, this irrigation enhancement project is well on its way. The bid process is expected to take place before year end. Construction on the project will begin in early 2011 and SSJID hopes to have the system ready to go for the start of the 2012 irrigation season.

At a July 13, 2010 Board meeting and public hearing, the Board established new fees and charges and directed staff to proceed with the project as previously outlined. Since that meeting we have actively sought out all potential Division 9 water users in

an effort to include all proposed service outlets in the plans. The response has been very favorable. We have had 78 land owners sign on for valves which will service approximately 87 parcels and have identified locations for future services where we plan to install tees so that owners will have an option of connecting up at a later date. The valves were offered at a shared cost with the District.

Remarkably, all growers within the region have signed back on to receive District service. Several owners do not currently plan to use the pressurized system at this

time but have paid for service in anticipation of future need.

We are also working on securing new easements for those areas where we do not currently have an existing easement. Most of these new easements are for spur lines that will be servicing owners that will benefit from the service and therefore owners have already verbally agreed to provide an easement in consideration for the service line.

We have received ongoing, positive support from the Board of Directors as well as from growers within Division 9. We are appreciative of the overwhelming support and look forward to the benefits this enhanced system is sure to bring.

Productive Construction Season Ahead

SSJID anticipates yet another busy winter maintenance season. In addition to our Division 9 Irrigation Enhancement Project, 15 new projects are scheduled for completion this season. With District crews scheduled to perform the majority of the work, the season will surely prove to be a productive one.

In addition to canal lining maintenance on the Joint Canal and the Main Supply Canal, crews will be working hard at installing wiers, constructing connection lines, building boxes, and replacing pipelines. The shotcrete work on the Joint and Main Supply canals is a part of the ongoing maintenance needed

to repair the canal floors. The District also plans on building two wiers in Ripon to help regulate water flows. In addition, 4,625 feet of pipe will be replaced in Escalon—this project also includes the replacement of two boxes. The construction of a connection line between Laterals “Y1dd” and “X” in Manteca is also planned in order to provide water to needed areas as well as providing better flexibility.

In addition to the work our crews will be doing, we will also contract out several projects. Those projects going out to bid include the replacement of the road crossing at Manteca and Wood-

ward Roads, construction of the domestic water line from Austin Road to the District Main Office, as well as three connection lines in the Escalon area needed to improve existing services.

These projects, at an estimated cost of approximately \$2.4 million, will assist in our ongoing efforts to ensure efficient water delivery as well as water savings. We wish our engineering staff as well as our maintenance crews a safe and productive maintenance season.



SSJID's Main Office will soon be able to utilize water from the City of Manteca with the construction of a new water line connection to the city's Austin Road pipeline.

Schulz to Retire With 32 Years of Service and Many Accomplishments

SSJID Director Robert Schulz will be retiring from the Board this December after 32 years of service to the District. His fellow directors, District employees, and Escalon constituents will most certainly miss his many contributions to the community and the local agricultural industry.

"The District has benefited from Bob's experience and expertise in not only understanding the laws and regulations but the District's potential growth," said Fred Paulus, an Escalon grower and personal friend of Schulz. "By understanding this, Bob's efforts will enhance the community's lives and benefit our farmers for years to come."

As an almond farmer, a small business owner, an elected official for SSJID, former Escalon mayor and city council member, volunteer firefighter and long-time member of the San Joaquin County Farm Bureau, Schulz exemplifies the best of what small communities have to offer.

"Bob is one of those people who can be counted on to give sound advice, listen closely to grower concerns and practice stewardship of the land that we all rely on for our sustenance," said Dave Phippen, Mante-

ca almond grower and packer. "Bob has worked tirelessly as an advocate for farming in South SJC, and has dedicated countless hours to community service whether it be ag related or pro-business."

The list of Schulz' accomplishments is long and exemplary. During his time on SSJID's board, he has worked to ensure that the bountiful water resources of the District were put to beneficial use for the entire community, holding steadfast to his belief that it was much preferred to find uses for the District's water within its service territory and San Joaquin County, rather than selling it at a premium outside the District during times of surplus.

Some of the District's major accomplishments under Schulz' direction include the planning and managing of groundwater recharge and drainage systems, the building of the Nick C. DeGroot Water Treatment Plant (WTP) at the foot of Woodward Reservoir, the automation of the District's canal operations, and the installation of a 1.4 megawatt solar farm at the WTP,

enabling the District to nearly eliminate its electric bill.

The Solar Farm was dedicated to Schulz in recognition of his hard work on the project and his many years of service to the District.

"On behalf of SSJID, we owe a huge debt of gratitude to Bob Schulz for his service to our community," said SSJID Board President Dave Kamper. "Bob has brought not only his experience, wisdom and energy to SSJID, but I personally want to thank him for his sense of humor, and for being a trusted advisor to all of us."



Robert Schulz will be inducted into the Stockton Chamber of Commerce's Ag Hall of Fame on Thursday, October 21, 2010.

For more information, please call the Stockton Chamber at 209-547-2770.



Bob Schulz and partner Vickie Mello enjoying an employee social at SSJID.

Escalon grower Bob Holmes is running unopposed to replace Schulz on the SSJID board. Holmes will assume office in December.

Grower Survey Continued

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increased flexibility and uniformity and/or efficiency. The primary reason for not converting to pressurized

irrigation is cost.

We thank you for taking time out of your busy schedules to complete our survey and for your assistance in helping us move

forward with our conservation efforts. The lucky winner of our drawing for one free year of moisture monitoring services is George Veldstra. Congratulations George!

SSJID Files Supplement to LAFCo Electric Plan Application to Verify 15% Rate Discount

To become the electric utility for the area, the San Joaquin Local Agency Formation Commission, (LAFCo) must approve our plan. SSJID filed its application with LAFCo last fall, beginning a year-long process of information gathering, reports and filings.

One of those reports, prepared by an independent company hired by LAFCo called PA Consulting, involved reviewing our initial application. PA Consulting concluded that SSJID *is ready and able to run an electric utility*. There were, however, a few areas where their economic assumptions differed from SSJID's.

SSJID's Supplemental Filing

Based on their economic model and assumptions, PA Consulting concluded SSJID's rates would be 2.3% higher than PG&E's, *but there were important facts PA Consulting did not consider*. When those are factored in, **SSJID can provide electric service at rates 15% lower than PG&E's**. SSJID's supplemental filing (approved

by our Board of Directors on September 14, 2010) explains these facts so commissioners can see exactly how we'll be able to set lower rates. Here's how we can do it:

Reinvest Revenue: PA Consulting's economic model did not have SSJID reinvesting the revenue created by the sale of retail electricity back into the business. Simply by reinvesting revenue, SSJID rates will be 4.3% below PG&E's.

Recognize PG&E's Rates Will Rise: The PA report projects higher power costs than we anticipate, but only applied those higher costs to calculating SSJID's rates. When you also apply those higher cost projections to PG&E, adjust their rates accordingly, AND reinvest revenue, SSJID's rates will be 11% lower.

Invest Additional Equity: PA Consulting also projects higher costs to purchase PG&E's system than we anticipate.

But even if they are right, after allowing for reinvesting revenue and the effect of higher wholesale power costs on PG&E's retail rates, SSJID can still set rates 15% below PG&E's by simply investing more cash up-front to buy the system, lowering our long-term borrowing costs. We have cash reserves from our hydroelectric plants to invest, and are prepared to use them to ensure your rates are 15% lower than PG&E's.

SSJID has requested that LAFCo staff review the additional information that we've provided, and then forward it to PA Consulting for their response. We are hopeful that our detailed economic modeling will assure LAFCo commissioners, and the residents and businesses that will benefit, that we are ready and able to stand behind our Board's commitment to a 15% discount from PG&E's rates. We anticipate that LAFCo will be scheduling our hearing early next year.

We are ready and able to stand behind our Board's commitment to a 15% discount from PG&E's rates.



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SSJID Business Proceedings

In the last 100 years, the South San Irrigation District has worked diligently to bring reliable irrigation water and quality treated water to its constituents, and produce power at our hydroelectric facilities. Those at the heart of this effort include:

- Robert Schulz, Director representing Division 1
- Ralph Roos, Director representing Division 2
- Dave Kamper, Director representing Division 3
- Dale Kuil, Director representing Division 4
- John Holbrook, Director representing Division 5
- Jeff Shields, general manager
- Bere Lindley, Finance &

Administration manager

- Steve Emrick, District counsel
- Don Battles, Utility Systems director
- Joe Catanzarite, Operations/ Water supervisor
- Sam Bologna, Engineering Department manager
- Bill Hubkey, Nick C. DeGroot Water Treatment Plant Manager

Every second and fourth Tuesday of the month, the Board of Directors meets at 9:00am. The meetings are open to the public and are held at the SSJID District Headquarters located at 11011 East Highway 120 in Manteca. Please visit our website at www.ssjid.com to find more information, view upcoming agendas, approved Board minutes, and a map of the Directors' divisions.