

Manteca, California
January 27, 2015

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 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: HOLMES KAMPER KUIL ROOS
ABSENT: HOLBROOK

Also present were General Manager Jeff Shields, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, Finance and Administration Manager Bere Lindley and Interim Executive Secretary Dawn Driesen.

Public Comment – None

Director Holmes presented a plaque to Director Roos for serving as Board President the last two years.

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$796,514.48; payroll for January 23, 2015 in the amount of \$177,352.11.
- B. Approval of the Regular Board Meeting minutes of January 13, 2015 and Special Meeting Minutes of January 15, 2015.
- C. Approval of Consent to SSJID's Entry of Property to Read and to Maintain Flow Meter, Peter Martini, Jr. and Evelyn I. Martini, APN 247-300-05.

A motion was made by Director Kamper and seconded by Director Kuil to accept the Consent Calendar and the motion passed 4 to 0 by the following roll call vote:

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

Director Holbrook arrived at 9:04.

ACTION CALENDAR

Item #1 – Discussion and possible action regarding the 2015 Water Season and District’s water use.

Mr. Shields gave an update on the current water situation. He stated that the drought is now entering the fourth consecutive year and that 2015 will most likely worsen the drought condition. January has been the driest of record with only 0.02” since January 1st. The State Water Resources Control Board has issued an advisory that curtailment orders for junior water rights holders are possible if conditions do not improve within the next three months.

The Central Sierra snowpack is currently 14% of the April 1st average and 24% of the normal for today’s date. Statewide we are at 15% of average and 27% of normal for today’s date. The average snow water equivalent is currently 4.3”. Since the Districts started tracking precipitation at Beardsley in 1958, there has never been a January where there was no measurable precipitation for the month. The average for January is 6.19” and the driest on record is .27”. Precipitation this year in the first 26 days of the month is zero. The average precipitation at Beardsley for the period from July 1st to January 31st is 20.05”. We are currently at 12.70” since July 1st.

It takes about 1,000,000 AF of water annually to meet the various demands on the Stanislaus River. The average annual inflow into New Melones Reservoir is 1,100,000 AF. For the 2013/14 water year ending September 30th, the total inflow into New Melones Reservoir was 346,270 AF. Year to date for the 2014/15 water year there has been 124,000 AF of inflow. Last year at the same time, inflow was 135,000 AF. Last year February through April were above normal rainfall months. On January 26, 2014, New Melones held in storage 1,046,610 AF. Today there is only 560,000 AF in storage. There is not enough water in New Melones to make it through the summer.

If inflow into New Melones continues as it did last year (or is worse), the Districts will receive 450,000 AF (225,000 AF each) of water this year. The Districts currently have 166,000 AF of water in our conservation account (77,000 is SSJID’s). Pursuant to the 1988 Stipulation and Agreement with the Bureau of Reclamation, each district is entitled to 100,000 acre-feet plus one-third of the inflow during the water year, plus, when accessing the conservation account, only enough from the conservation account to get to 225,000 acre-feet. If New Melones receives at least 144,000 acre-feet of inflow this water year, and with 77,000 AF available from the conservation account, the SSJID will be entitled to divert 225,000 AF. The Bureau of Reclamation is estimating end of February storage at New Melones to be 544,000 AF (90% exceedance). This means the Bureau only has 94,000 AF of federal water to work with. The problem is that they have a minimum obligation of 178,000 AF just to meet the minimum flow

requirements. This does not include any water for Stockton East Water District and Central San Joaquin Water Conservation District.

The District needs to plan for the worst and hope for the best. We will likely receive 225,000 AF (1/2 of 450,000 AF for OID and SSJID). This is the same amount we were entitled to last year and, with conservation measures, we were able to meet the needs of our irrigation and domestic customers. Those measures included adjustments to the irrigation season by starting a few days later and shutting the system down on September 30th. We curtailed drinking water by 20% to the cities for August and September, and we held Woodward Reservoir to a low level with no bodily contact until May 21st. We then raised Woodward to 205 ft elevation (rather than the normal 210 ft) through September 8th. These measures allow us to use a total of 216,000 AF. On a positive note, the December storm that dumped on the valley floor resulted in a significant inflow to Woodward Reservoir. We have approximately 3,500 AF more water than we planned on. This is water that will not count against our diversions so we actually will have 228,000 AF.

Mr. Shields suggested that the district send letters to Stanislaus County regarding keeping Woodward at a level where no bodily contact is permitted and to the cities regarding possibly curtailing drinking water deliveries.

Director Holmes distributed a handout regarding possible adoption of a drought year allotment that he would like everyone to review for the next meeting.

Director Holbrook made a motion for staff to move forward in sending letter to the cities and to Stanislaus County regarding water restrictions and Woodward Operations. Motion was seconded by Director Roos and passed unanimously.

Item #2 – Authorize purchase of Son-Tek IQ meter for the District’s Flow Measurement Plan.

Frank Avila, Telemetry Systems Supervisor, addressed the Board. Mr. Avila stated that this purchase is part of the on-going program to improve the accuracy of flow measurement. The meters will be installed at eight locations and the cost is \$81,358.00. Motion was made by Director Kamper and seconded by Director Holbrook to purchase the meters. Motion passed unanimously.

Item #3 – Authorize purchase of four MDC Actuators.

Frank Avila, Telemetry Systems Supervisor, said that the District has been replacing the old units over the past few years and this is the last four that need to be replaced. He stated that the staff really like the units and the calibration is user friendly. Motion was made by Director Kuil and seconded by Director Roos to purchase four actuators for the MDC in the amount of \$32,476.25 . Motion passed unanimously.

Item #4 – Authorize purchase of Bobcat MT-55 walk behind loader.

Joe Catanzarite addressed the Board and said that the District has been renting a walk behind loader for the last 10 years. The Bobcat is used about two months out of the year for maintenance on the ditches. The District has paid \$3,600 this year for renting the Bobcat and that money will be applied to the purchase of the new Bobcat. Motion was made by Director Holbrook and seconded by Director Kamper to purchase the Bobcat MT-55 walk behind loader in the amount of \$27,141.00. Director Roos asked Mr. Catanzarite if this was brought to the Equipment Committee. Mr. Catanzarite stated that it was not. He was asked that equipment purchases be brought to the committee in the future. Motion passed unanimously.

Mr. Catanzarite gave his Operations Report.

- Staff has been working on several maintenance projects throughout the District.
- Six employees went to Cal Poly for canal operations and flow measurement training. All but 6 or 7 employees now have had the training.
- Nick, Matt, Tony and Walt attended the Weed Conference in San Diego.

Item #5 – Approve Amended Policy for Rescinding Irrigation Service Abandonment that deletes one year notice, approved on January 13, 2015, and consider increasing water charge requirements.

Mr. Bologna stated that this item is being brought back per Board’s direction. Director Holmes asked if the policy attached to the memo would be the official policy. Mr. Bologna said yes that the policy is removing the one year waiting period and adding the third year of water charges for owners to pay if they sign back in to the District. He also said that the paying for three years’ water charges will act as a deterrent for people to sign out of the District. Director Roos said that he believed owners paying for two years’ water charges was already a deterrent. Director Holbrook said that due to the District removing the one year waiting period, the additional year of water charges was added.

Motion was made by Director Holbrook and seconded by Director Kuil to approve the policy which eliminates the one year waiting period and adds an additional year of water charges to encourage growers to use District surface water and to enable the District to recover lost revenue necessary to maintain its facilities when owners have signed off.

Motion passed by a vote of 4-1.

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

Item #6 – December 2014 Financial Statements.

Bere Lindley reviewed the December 2014 Financial Statements with the Board. He noted that, despite lower hydroelectric revenues, the District has satisfied the debt service coverage requirement of the 2012A bonds with a margin of surplus.

Item #7 – December 2014 Investment Report.

Bere Lindley reviewed the December 2014 Investments with the Board.

Item # 10 - Communications

Director Holbrook

- Attended the Mid Pacific Region Water Users Conference in Reno. The water situation in Oregon, Nevada and California is bad. The Truckee River went from 68% to 54% capacity in one week. Lake Tahoe is below its rim with no water coming out and there is no snow to help fill it. At the conference they discussed how water transfers were back on the table with agencies trying to get water any way they can. The speakers at the conference encourage those agencies with water to do their best to assist others. Helping others does three things: 1. Helps keeps crops alive, 2. Helps produce crops and 3. Helps agencies keep their water rights. The cost of water at other agencies is going from \$60-\$70 per acre foot last year to \$1400-\$1500 per acre foot. The California Farm Water Coalition is reaching out to people through social media to keep them informed.

Director Kuil

- He also attended the Mid Pacific Water Users Conference in Reno. He said Mrs. Wolfe spoke about reaching people through social media. They also have Spanish advertisements that have received a good response. Mrs. Schulte spoke about the drought in Australia and the way they handled it was by putting people and animals first and fish second. We need to be diligent with our water use.

Director Roos

- Terra Bella by Porterville has no groundwater. They have 3rd and 4th generation farms that are in jeopardy.
- Chuck Hanson Environmental Group's study said that in spite of biological efforts, no one knows why there are less fish.
- The Shasta Reservoir Study is done.
- There are no funds for reservoirs from bonds until 2017.
- He and his wife visited Betty Garcia and she is in good spirits.

Director Kamper

- He will be attending the Irrigation Conference next week in Sacramento. Director Holmes will need to cover the Tri-Dam meeting for him.

Director Holmes

- Handed out the minutes from the Ag Water Committee Meeting and a report about Water Allotment and Tiered Rate Design.
- The Escalon Farm Dinner is on Thursday, February 26th at 6:00.

Ed Erisman, Water Treatment Plant Manager

- Corrections and explanations to the December Monthly Report. The large increase in flows at the M3 and L1 sites are due to these tanks being out of service for repairs in the previous months. Also, the allocation used percentages are incorrect. Actual usage of allocations are as follows:
 - a. Manteca = 67.5% (Allocation 11,500 ac/ft Usage for 2014 = 7,761.08 ac/ft)
 - b. Lathrop = 6.1% (Allocation 6,887 ac/ft Usage for 2014 = 442.81 ac/ft)
 - c. Tracy = 81.4% (Allocation 11,120 ac/ft Usage for 2014 = 9,044.35 ac/ft)

Don Battles, Utility Systems Director

- Nothing to report.

Bere Lindley, Finance and Administration Manager

- Nothing to report.

Troylene Vallow, Communications

- The Employee Dinner will be held on March 6th at Spring Creek.
- The Boys & Girls Club Golf Tournament will be on Friday, May 1st. Anyone wanting to play, please let her know.
- The Boys & Girls Club Hall of Fame Event is coming up in May. Please let her know if they would like to nominate anyone.
- Showed pictures of Sequoia School's expanded garden which is a result of the District's donations.

Sam Bologna, Engineering Department Manager

- The Conservation Program has paid \$192,024. 10 people have not turned in receipts and there is \$174,333 outstanding.
- Attended the ACEC Awards Banquet along with Jeff, Dawn and Julie. The Division 9 Pressurized System won an award. Posters were made of all of the projects and will be displayed at the Capitol during the month of February.
- The tour of Division 9 with TID went well.
- The East Basin Well test well is about 2-3 weeks out and about a month out for developing the well.
- Having a conference call on Thursday to discuss the economics of the Pressurization Study. A workshop will be scheduled soon.

Jeff Shields, General Manager

- Two employees will be retiring soon, Rick Hinkley on April 2nd and Luz Juarez in June.
- Offered tickets to the Super Bowl Breakfast.
- Taste of San Joaquin is on March 19th. Please let him know who would like tickets.

- The government’s emergency drought CEQA exemption has expired. The additional storage in Woodward will not be released since there will not be enough time to go through the process.

Director Kamper left the meeting at 10:30 a.m.

It was announced that Items 11 a, e & f 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 Section 54956.9
- 1 case

- e. Public Employment Performance Evaluation
California Government Code Section 54957
General Manager

- f. Public Employment Performance Evaluation
California Government Code Section 54957
Utility Systems Director

Upon their return from Closed Session, it was announced that the following actions were taken:

Item #8 – Consider compensation adjustment for General Manager.

A motion was made by Director Kuil and seconded by Director Holbrook to approve a one-time compensation adjustment for the General Manager in the amount of \$10,000. Motion passed 4-0 with Director Kamper being absent.

Item #9 – Consider compensation adjustment for Utility Systems Director.

A motion was made by Director Roos and seconded by Director Kuil to approve a 4% increase in compensation for the Utility Systems Director. Motion passed 4-0 with Director Kamper being absent.

ITEM #12 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Holbrook and seconded by Director Kuil to adjourn the meeting. Motion passed 4 to 0 as follows:

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

ATTEST: _____
 Dawn Driesen, Interim Executive Secretary