

Manteca, California  
February 11, 2014

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:01 a.m. President Roos called the meeting to order and led the flag salute. Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL ROOS  
ABSENT: NONE

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

A motion was made by Director Holbrook and seconded by Director Kuil to add the following emergency item under Government Code 54954.2 to the agenda because immediate action is needed, which came to our attention after the agenda was posted. Motion passed unanimously

**Start of Irrigation Season and Water Conservation Actions**

Mr. Shields said the District should receive 225K AF of water for irrigation during the 2014 water season by using the conservation account, as needed. If the inflow increases, the extra water can go into our conservation account. Director Roos asked the audience if there were any comments regarding the start of the irrigation season. Director Kuil stated he would like the season to start the first week of March. Director Holmes said if the weather conditions continue to stay dry that farmers will need water by March 2. Director Kamper suggested putting a 36 inch water limit for each farmer and to start with a 7-day rotation; and that every crop get the same amount of water. Director Roos and Kuil prefer to have a time limit for irrigation rather than be limited to 36 inches of water per acre. Director Holmes supports a 36 inch water limit per acre and would like staff to bring back to the Board the 90<sup>th</sup> percentile of 2013 water usage.

A motion was made by Director Kuil to start the irrigation season on March 3 (subject to change depending on rainfall); with 14 to 28 day rotations. Do not enforce provisions to deny service to Tier II customers at this time. Motion passed unanimously.

**Public Comment**

Michael Harris stated that it is a bad idea to sell waters to other cities, referring to Tuolumne County. He does not support this action.

The Board was asked to consider the following Consent Calendar Items.

**CONSENT CALENDAR**

- A. Approval of Warrants in the amount of \$267,545.07; A/P Wires in the amount of \$202,392.44; payroll dated February 7 in the amount of \$186,878.51.
- B. Approval of the regular Board Meeting Minutes of January 28, 2014.

C. Approval of the Oakdale Irrigation District invoice in the amount of \$47,130.28.

Director Kuil noted on item 6 of the minutes when he mentioned a bill regarding water rights it was referring to watering cattle and regulating use of water on Federal land.

Director Kamper noted on item 7 that he suggested setting the number of inches of water per acre; he did not suggest one inch.

A motion was made by Director Holbrook and seconded by Director Holmes to adopt the Consent Calendar items with the above changes by the following roll call vote:

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

**ACTION CALENDAR**

**Item #8 – Humanitarian Water Transfer to the Citizens of Tuolumne County**

Mr. Shields stated the District has a responsibility to its growers to ensure they get enough water for crops. He indicated the reason that Tuolumne County was left without water was because of the Rim Fire at Yosemite last year. For several months California Department of Forestry used water from Lyons reservoir to fight the Rim Fire. The reservoir is expected to be dry in 80 days or earlier. He spoke with Tuolumne County Office of Emergency Services who said their immediate crisis would be resolved with 2,400 AF of water.

SSJID and OID jointly own the TriDam Project and we have 25 employees and their families that live in this area. Hospitals, local schools, and public facilities such as local fire protection can be affected if they do not receive water. Mr. Shields spoke with the Bureau and they are 100 percent in support of the water transfer and will work with the District to facilitate the transfer. He spoke at the San Joaquin Farm Bureau last week and they whole-heartedly support this action.

Director Holbrook said when it comes to people's lives he believes the farmers would agree. With the small amount of water requested and what it is being used for, he firmly believes the farmers would support this action. Director Roos pointed out that Tuolumne's request is for only about 1% of the water SSJID expects to divert this year.

A motion was made by Director Kuil and seconded by Director Kamper to (a) authorize the General Manager to work with those state and federal agencies necessary to implement a transfer of 2,400 AF of water for humanitarian purposes to the citizens of Tuolumne County; (b) find that the Emergency CEQA exception in Public Resources Code section 21080 applies to the situation; (c) authorize the offer of \$200 per AF; (d) to be delivered during water season ending September 30; (e) subject to SWRCB approval, if SSJID elects to seek that approval and documentation. Motion passed unanimously.

**Item #1 – Consider approval of change in date for Health Benefits eligibility for new hires**

Mr. Thornburg indicated with the Healthcare Reform, the State of California adopted AB 1083 which states medical insurance waiting periods for plans of all employer sizes may not exceed 60 days. In order for the District to be in compliance, this means the waiting period would need to be the first of the month following 30 days of employment. In order to maintain consistency across all plans and provide ease of administration in the orientation and enrollment process, it is recommended that the District adopt the first day of the month following 30 days of employment across all plans offered. Based on current premium rates, this would result in a maximum additional one-time cost of approximately \$200 per new hire.

A motion was made by Director Holbrook and seconded by Director Holmes to approve staff recommendation and make all plans offered by the District to new hires effective the first of the month following 30 days of employment. Motion passed unanimously.

**Item #2 – Consider approval of amendment to Irrigation Service Abandonment for David Dole, APN 247-200-09**

**Item #3 – Consider approval of amendment to Irrigation Service Abandonment for Charles Sutton, APN 249-120-14**

**Item #4 – Consider approval of amendment to Irrigation Service Abandonment for Doug Ohland, APN 245-230-57 & 245-230-58**

Mr. Bologna said at the last Board meeting there was a discussion in regards to the charges that land owners who sign back on with the District to receive water need to pay. After research, it was found that owner must pay for the current year's water charges plus the previous year's charges and if no water charges were imposed in either year, instead of paying no water charge for that year, the landowner is required to pay an amount equal to the highest charge imposed during the last 10 years for that year. Additionally, the Directors must decide if they want to waive the 1-year notice provision.

Director Kamper noted that David Dole is his nephew and Counsel Emrick advised him that under the circumstances, he does not have a conflict of interest that would require him to disqualify himself from voting.

A motion was made by Director Holmes and seconded by Director Holbrook to accept staff recommendations on items #2, #3, and #4, as follows:

- a) Owner shall agree to make all modifications necessary to be able to utilize the existing pipeline or valves at his own expense.
- b) Owner shall acknowledge that a new Structure Permit shall be obtained for any proposed change in water delivery and that District may not provide sprinkler service to this property unless additional approvals are given and improvements are made.
- c) Owner shall acknowledge that water measurement for this property will be based on calculated information recorded by Division Manager and any disputes with regard to water delivery accuracy may result in the owner installing a flow meter at this expense. Further, owner shall adhere to District policies and standards relative to installation of a meter upon notification by the District of the need to install a meter.

- d) Owner shall acknowledge that service may be withheld until water measurement requirements and other specified requirements are satisfied. District further reserves the right to impose additional conditions in the future if substantial changes occur between now and when he ultimately decides to start using District water.
- e) Owner must pay for the last year's water charges plus the current year's charges.
- f) District agrees to waive the one year notice requirement and impose fees in accordance with the provision of the recorded service abandonment agreement for the subject property.

Motion passed unanimously

**Item #5 – Feasibility Assessment of Pressurized Water Delivery Milestone 1: Project needs and objectives**

Mr. Jeff Shaw reviewed a power point presentation with the Board discussing Milestone 1 which is a study of the project needs that identifies and describes project objectives, design criteria, fundamental design concepts, and review and refinement of technical evaluations. He discussed at length the benefits from the Division 9 project, including water rights protection, economy, equitability, environmental assessments, impacts, and CEQA compliance. Director Holbrook suggested that cities could cut costs if they use irrigation water for parks rather than treated water and believes there should be more discussions of recapturing water. Directors Roos and Kuil place a high value on the simplicity and economics of the gravity irrigation system. A centralized system versus a decentralized system is a big economic decision and should be analyzed early in the process. Director Holmes believes the current schedule needs to be reviewed and possibly modified to provide for early analysis of this foundational question as a new Milestone 2.

A motion was made by Director Holbrook and seconded by Director Holmes to approve Milestone 1 with the option to bring further analysis back to the Board for consideration. Motion passed unanimously.

**Item #6 – Consider approval of Consolidation of Divisions**

Mr. Shields stated the TruePoint data indicated several discrepancies in terms of the workload among the divisions and that the total amount of work among all the divisions has decreased during recent years, for a variety of reasons. He is proposing to reduce the number of operating divisions from eight to six. Mr. Catanzarite said he favors the option that eliminates two divisions, not counting the main canal as a division, and changing the schedule of the main canal operators. He indicated that new language would need to be put in the contract for the MDC Operators concerning their proposed work schedule. He said that two ditch tenders would go back to work in the yard but could be used to assist ditch tenders if necessary.

Director Holmes believes there could be some issues with these changes in Escalon. Director Kamper suggested it is best not to make the changes in divisions if staff suspects failure. Director Holmes asked why the District is considering the consolidation of divisions. Mr. Shields said in reviewing staffing and down time, and there are three current open positions that would not require filling. Director Holbrook asked Mr. Catanzarite if he was confident that cutting two divisions would still be able to service the farmers. He believes it will work but he does have a concern with the Escalon area.

A motion was made by Director Kamper and seconded by Director Holbrook to approve staff recommendations to consolidate divisions but if there are staffing problems, he believes it is best to resolve those issues separately. Motion passed 4 to 1 with Director Holmes casting a no vote.

#### **Item #10 – Communications**

Bill Hubkey – Water Treatment Plant Manager

- The Central Valley Regional Water Quality Control Board adopted the WTP WDR Permit. We are now able to discharge up to one million gallons of water per year into our evaporation ponds.
- There was a power outage on January 20 that required one of the WTP Instrument Technicians to be called in after hours. The outage called problems with our Chemical Feed System and a portion of the Zenon MIT code. Staff corrected the problem and had the plant running again in two hours. The power outage also faulted the solar power inverters which had to be reset the next day.
- Staff has been busy repairing busted Air Relief Valves on the transmission pipeline. There have been four hit in the last few months and the last two came within days of each other.

It was announced that items 11 a, b & c would be discussed in closed session. Upon their return from closed session, the following action was taken on item 9.

A motion was made by Director Kamper and seconded by Director Holbrook to pay the housing expenses with a one year lease for Don Battles and to increase his salary by 4% effective February 1, 2014. Motion passed unanimously.

#### **Item #7 – Budget Update**

Mr. Lindley stated the budget needs to be amended for the following reasons: to cover the new labor agreements and in view of reduced income from Tri Dam, to ensure that we satisfy the requirement that net revenues equal at least 1.25 times debt service. He said because of the District's reserves, we are not experiencing a financial crisis but merely need to comply with the debt service coverage formula in SSJID's bond indenture.

A motion was made by Director Holbrook and seconded by Director Holmes to amend the 2014 budget to (a) approve an increase to cover new wage rates; (b) consider taking measures to alleviate the threat to the minimum 1.25 debt service coverage requirement; and (c) suspend the conservation program as to any additional applications for the remainder of year 2014. Motion passed 3 to 1 with Director Roos casting a no vote. Director Kuil was not present at the time the vote occurred.

#### **Item #10 – Communications (Continued)**

Director Holbrook reported in the Client Update produced by Liebert Cassidy Whitmore, he read an article speaking to the reimbursement of conservation program funds to Board members and there was no conflict of interest.

Director Kuil attended a Tri Dam meeting and Dan Pope had created a list of his responsibilities that he is passing on to staff. They have recruited J D Power Recruiting, Inc. to help hire a new General Manager. The next scheduled Tri Dam meeting is on February 27. He said there was a discussion that until Dan Pope's replacement is hired, Betty Garcia will take minutes at the Tri Dam meetings that are held at the District office.

Director Roos noted that it would take approximately 90 days to hire a replacement for Dan Pope and once hired, approximately one month to transition into the position. He is going to attend the Groundwater Banking Authority Directors meeting on Wednesday, February 12.

Jeff Shields, General Manager

- Manteca Historical Society "Gourmet Sampler" Food & Wine tasting at Manteca Senior Center on Sunday, March 9, from 1 to 4 p.m.
- Received a follow up letter from DWR clarifying that our AWMP fully complies with all provisions of the water code.
- Director Roos and Director Kuil attended the Calla Nile Farm Center annual meeting where I spoke on the drought and raised the idea of a humanitarian water transfer to the citizens of Tuolumne County; there were no negative reactions.
- Met with JD Powers Recruiting, Inc. in regards to replacing General Manager Dan Pope; laid out a timeline that it should take about 90 days to hire and a month to get the new GM transferred. The new GM should be working by June 1 but no later than July 1.
- SJFB Foundation holding its 23<sup>rd</sup> Annual Taste of San Joaquin on March 6 at the Cabral Ag Center.
- Oakdale Irrigation District sent out a notice of 2014 Irrigation Schedule and rules.
- Tri Dam meeting moved to February 27.
- District wells were leased to 27 customers. We signed 79 different lease agreements and got gross revenues of \$46,800.

#### **ITEM #12 – ADJOURNMENT**

There being no further business to come before the Board, it was moved by Director Holbrook and seconded by Director Kamper to adjourn the meeting at 1:33 p.m. Motion passed unanimously.

ATTEST: \_\_\_\_\_  
Betty Garcia, Executive Secretary