

Manteca, California
February 25, 2014

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 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.

Public Comment

Mr. Bill W. Mahaffey addressed the Board of Directors stating that for the past 45 years he has been paying his water bill on an annual basis but now he is receiving a monthly bill as well. Director Holmes explained that is correct because he will receive a monthly water bill based on his usage. He asked if the District were to assume the retail electric service, would he get the same level of service that PG&E has provided to him. Director Roos assured him that he would and additionally he would be able to speak to the Board in person regarding his concerns. Mr. Shields informed Mr. Mahaffey that the State of California had passed a law that requires the District bill volumetrically for the water that is being used by its customers.

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

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$444,175.70; A/P Wires in the amount of \$183,199.02; payroll dated February 21 in the amount of \$173,875.37.
- B. Approval of the regular Board Meeting Minutes of February 11, 2014.
- C. Approval of Irrigation Service Abandonment agreement for Phyllis Gallego, 12.62 acres, APN 177-490-03.

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

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

Director Holmes asked General Counsel if he had seen the article published in the Perspective newsletter in regards to how the votes of the board members should be recorded in the minutes. After reading the article, Mr. Emrick advised Ms. Garcia that each of the votes for the board members should be noted in the minutes.

ACTION CALENDAR

Item #1 – Consider 2014 Water Supply Forecast, Irrigation Schedule and Woodward Reservoir elevation

Mr. Shields proposed that the level of Woodward Reservoir be kept at the minimum elevation that would allow the water treatment plant to take water from the lower intake, which is 192 feet, plus a margin necessary to facilitate smooth irrigation operations. Mr. Shields stated that SSJID is faced with the driest year in our history and the District must assume that this condition will continue into next year. The Board has taken other steps to conserve water to ensure that we meet the demands for crop production and drinking water through 2014. Mr. Killingsworth, associate civil engineer, discussed a report that he prepared regarding the effects of Woodward Reservoir water level on evaporation and seepage loss. The Board agreed that the District needs to conserve as much water as possible and cannot count on the rain.

Ms. Jami Aggers, Director of the Stanislaus County Environmental Resources Parks & Recreation addressed the Board stating they had entered into a partnership with the District 30 years. She said disallowing bodily contact at the reservoir would significantly impact revenues for Stanislaus County at an estimated \$2 million. She indicated 6 year round employees could lose their jobs and the funds they normally pay the Stanislaus County Sheriff’s Department to patrol the facility would not be available. She said there would be economic losses to the neighboring community as well. She suggested the District operate the reservoir at minimum level to begin with, and then increase the level on May 1 so that bodily contact can occur. Ms. Aggers stated that Stanislaus County could offer the District \$250,000 to keep the reservoir open. Director Holbrook stated that money will not buy water if there is no water available. Director Holmes said if the District is going to take drastic measures at Woodward Reservoir, then we need to enforce a 30 – 36 inch limit of water across the District. He stated if the District is serious about conserving water, conservation measures must start with our farmers.

Mr. Keigh Boggs, Assistant CEO, for Stanislaus County addressed the Board stating they currently have contracts in negotiations for the upcoming season but will be unable to speak to those contracts if they are unable to reach an agreement with District. He said there will also be a financial impact to the City of Oakdale.

A motion was made by Director Kamper and seconded by Director Kuil to maintain the water level at 192 – 195 at the lower intake until May 1. This item will be brought back to the Board for reconsideration at the April Board meeting. Motion passed 4 to 1 as follows:

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

Mr. Lindley distributed information in regards to the water supply and demand projections for 2014. He emphasized that the restrictions on consumption which the Board has already imposed have brought demand into balance with the limited supply for 2014, and that additional restrictions on irrigation use would be of no value in balancing supply and demand. But, additional restrictions on use would help to preserve some of the conservation account for use in

2015. Because the balance has been achieved by constraining irrigation, opportunities to improve supply should be pursued in order to relieve the hardship to farmers. He discussed the New Melones inflow, withdrawal from the District's conservation account, evaporation and seepage losses and the amount of water needed by the Water Treatment Plant for normal use. Mr. Joe Catanzarite said that his staff is prepared to start the water irrigation season on Saturday, March 1.

Item #2 – Consider approval for purchase of District vehicles

Mr. Joe Catanzarite informed the Board that specifications had been sent to four dealerships for a price quote and that these vehicles were included in the 2014 budget. Director Kuil asked if the District could wait an additional year to purchase new vehicles. Mr. Catanzarite said it was District policy to discontinue use of vehicles when they have reached a certain mileage. Director Holbrook suggested that he meet with the equipment committee next year prior to obtaining price quotes.

A motion was made by Director Holbrook and seconded by Director Kamper to approve staff recommendation to purchase five (5) new vehicles. Motion passed 3 to 2 as follows:

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

Item #3 – Consider conditional approval of Pillsbury Estates #2 and authorize signature of plans

Mr. Bologna said the first phase of Unit #1 is currently under construction and has triggered the replacement of a portion of Lateral "Xb" and Lateral "X"-66-dd. The plans for Unit #2 indicate an additional 5 lots will be affected in addition to 17 lots that are adjacent to Lateral "Xb". Director Holbrook asked Mr. Bologna how many acres downstream of this development irrigate and he stated approximately 1,000 acres.

A motion was made by Director Kuil and seconded by Director Holmes to conditionally approve and authorize staff to sign the plans and final map, subject to staff's determination that the proposed access points are adequate. Motion passed 3 to 2 as follows:

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

Item #4 – Authorize the General Manager to execute an agreement allowing the City of Lathrop to install a second connection to the District's treated water pipeline

The City of Lathrop has requested the District's consent to install a second interconnection in order to provide water service to the River Islands project. The new facilities would be connected to a "T" that has already been installed in the District's pipeline. The proposed connection design does not meet District standards and is therefore characterized as temporary.

Lathrop would be required to upgrade the connection by the time the cumulative number of building lots on approved maps exceeds 1100 lots or when demand exceeds 694 gpm.

A motion was made by Director Holbrook and seconded by Director Kamper to authorize the General Manager to sign the Interconnection Agreement when the agreement has been approved by the City of Lathrop and further authorize the General Manager to agree to non-substantive changes that Lathrop may request as part of its Council's approval; and to add a stipulation to the agreement that the temporary connection must be upgraded to a standard connection within 10 years regardless of the number of lots approved. The agreement could be brought back for reconsideration within 10 years if necessary. Motion passed as follows:

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

Item #5 – Authorize the General Manager to execute an amendment to the District's Mutual Aid Agreement with Lathrop Irrigation District

Mr. Shields explained that District entered into a Mutual Assistance Agreement with Lathrop Irrigation District in 2007. The agreement permits LID to request SSJID's assistance in the planning, design, and operation of retail electric service to the River Islands project. Mr. Shields said an amendment to the agreement is now needed to update the formula for compensating SSJID for the specific services LID now requires. On an ongoing basis, SSJID would provide the following services to LID:

- a) Assume meter reading responsibility after the first 20 meters
- b) Billing and collection services
- c) Establish and maintain a website for LID
- d) Such additional services as the parties agree upon as documented in writing.

LID would compensate SSJID for the services it provides after January 2014, as follows for meter reading, billing and customer service:

- a) A monthly fixed charge of \$100 per month, and;
- b) \$35 per meter per month for the first 100 meters, and;
- c) \$10 per meter per month beyond the first 100 meters

SSJID will be compensated for other services on terms to be agreed upon. SSJID will also be reimbursed for out of pocket expenses. SSJID's responsibilities would be limited to 2,000 customers and LID is required to provide all other services necessary to operate its retail electric. The \$40,000 cost ceiling is deleted, but the month to month nature of the agreement remains in place. The District would be paid \$3,000 for past services through January, 2014.

A motion was made by Director Kamper and seconded by Director Kuil to authorize the General Manager to sign the amendment to the Mutual Assistance Agreement after completing the exhibit for the SSJID personnel to be involved in providing ongoing services and authorize staff to invoice LID the amount of \$3000 for services through January 2014 and for ongoing services pursuant to the amendment. Motion passed as follows:

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

Item #6 – January 2014 Financial Statements

This item was for information only and no action was taken.

Item #7 – January 2014 Investment Reports

This item was for information only and no action was taken.

Item 8 – Update on liability and workers compensation rates

Mr. Thornburg stated that SDRMA would be providing a credit in the amount of \$4459 on the District's 2014-2015 invoice and that a 10% workers compensation increase is anticipated. He indicated the next SDRMA class is on March 18.

Item #9 – Authorize General Manager to execute an agreement with Chicken Ranch Rancheria of Me-Wuk Indians of California and Tuolumne Utilities District for the sale and purchase of 2,400 acre-feet of water

Mr. Shields explained that the Tribe sent a proposed draft agreement for the District's approval. After working with them, the agreement was modified and is being presented to the Board for consideration.

A motion was made by Director Holbrook and seconded by Director Holmes to authorize the General Manager to sign the agreement with the Chicken Ranch Me-Wuk Indians and the Tuolumne Utility District to ensure the agreement goes forward. The contract will be submitted by TUD to the Bureau of Reclamation for approval to divert water from New Melones. Motion passed unanimously as follows:

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

Item #10 – Communications

Director Holbrook reported that he attended the Advisory Water Commission meeting and that the Delta Coalition is fighting the BDCP and their plan to build tunnels to transfer water to Southern California. He discussed the Delta Water Conservation Plan; that Dianne Feinstein is supporting a California water bill that favors the farmers; and how water is being diverted for marijuana cultivation. He noted the APPA conference will be held June 12 in Colorado.

Director Kuil said he attended the TriDam public meeting at Lake Tulloch and Ron and did a good job of presenting information.

Director Roos stated that the Annual Employee Dinner was a success. He attended the Groundwater Basin Authority on February 12. He spoke with Ken Vogel in regards to the Warren Act.

Ed Erisman, Water Treatment Plant

- The new AC unit for the Zenon building will arrive today and will be installed tomorrow.
- The Clear Waste Water pump has been repaired and will soon be installed.
- The final pieces of the Zenon system screw compressors filtration system have been received and will be installed over the next few weeks.
- The influent pressure transmitters have been installed and programmed into SCADA for the M2 and M3 booster stations. The T4 booster station transmitter has been installed but is awaiting SCADA programming. It should be complete by next week.

Jeff Shields, General Manager

- The San Joaquin Farm Bureau Federation will be hosting their 23rd Annual Taste of San Joaquin on March 6 at 6:00 p.m. in the Robert Cabral Ag Center in Stockton.
- The ACWA Spring Conference will be held in Monterey on May 6 – 9.
- The San Joaquin Farm Bureau Water committee meeting is tonight at 5:30 p.m.
- The Manteca Redevelopment Agency Successor meeting is today at 2:00 p.m.
- J Powers conference call to review a candidate for the TriDam General Manager position will be today at 1:00 p.m. There will be a face to face interview tomorrow.
- He distributed a copy of the letter to David Murillo regarding compliance with the Bureau of Reclamation and a transitional plan of operations.

It was announced that item #11 a & b would be discussed in closed session. Upon their return from closed session, it was reported that no reportable action was taken.

ITEM #12 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kamper and seconded by Director Holmes to adjourn the meeting at 12:40 p.m. Motion passed as follows:

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

ATTEST: _____
Betty Garcia, Executive Secretary