

Manteca, California
March 10, 2015

The Board of Directors of the South San Joaquin Irrigation District met in regular session at the District headquarters at 9:00 a.m. Vice President Kuil 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 - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$220,804.82; A/P wires in the amount of \$228,267.93; payroll dated March 6, 2015 in the amount of \$180,187.08.
- B. Approval of the regular Board meeting minutes of February 24, 2015.
- C. Approval of the special Board meeting minutes of March 3, 2015.
- D. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Leonard and Grace Loyalvo, APN 249-080-20.
- E. Approval of consent to SSJID's entry of property to read and to maintain flow meter for the Adrian Family Partnership, APN 247-220-23.
- F. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Joseph Adrian, APN 247-210-04.

Director Holbrook noted on item B, on page 12 under Jeff Shields comments, the Day of Caring should be changed to the Day of Giving.

Ms. Garcia stated on item C, Mr. Emrick's statement should read "the District should make a finding that it is infeasible to publish a summary of the proposed water allotment policy and the Resolution and for that reason will publish the complete documents in the local newspapers; the Manteca Bulletin, the Ripon Record, and the Escalon Times.

A motion was made by Director Holmes and seconded by Director Roos to accept the Consent Calendar, with the above noted corrections and passed 5 to 0 by the following roll call vote:

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

ACTION CALENDAR

Item #1 – General discussion concerning Public Hearing

Director Kuil informed the public that each person would have an opportunity to speak for five minutes in regards to the proposed water allotment policy.

Item #2 – Public Hearing to consider adopting Resolution #15-01-W adoption of Water Allotment and Drought Year Allotment policy, for a 36 inch water allotment for the 2015 Irrigation Season; Public Hearing; Board Action

Mr. Shields reviewed a PowerPoint presentation with the audience discussing the water supply forecast. He discussed the conditions of the reservoirs, with special attention to New Melones stating the reservoir is at only 25% of capacity; normally at this time it is at 41%. He reviewed information stating since 1991 New Melones has fallen below one million acre feet for a total of 13 times. Before the drought in 1977, Stanislaus River flow had only fallen below one million acre feet a total of 8 times. Mr. Shields explained that the District would be facing water curtailment orders from the State Water Resources Control Board. Other issues are the groundwater legislation implementation – regulations & adjudications; the San Francisco Bay Delta Conservation Plan (BDCP) or twin tunnels which plan to take our water south; and finally the Water Quality Control Plan/Delta Outflow criteria which calls for 40% of unimpaired flows. He informed the public that SSJID has formed a Swat Team/Task Force consisting of employees from both the engineering and water operations department to assist growers to stay within the proposed 36 inch water allotment for the 2015 irrigation season.

Director Kamper suggested it would be a good idea to have 7 day irrigation runs and urged the farmers to consider their neighbors need for water. He said that other irrigation districts are only allowing their growers a total of 16 inches of water for the season.

Director Holbrook agreed the District and the growers are experiencing difficult times during this drought but said this is what makes America great. He said the District would provide the tools to the farmers to make the water allotment work for them.

Director Kuil stated the District is dealing with one of the worst droughts since 1977 and urged the growers to work closely with the District to make the water allotment work. He said some districts have no water for irrigation; while Turlock and Modesto Irrigation Districts are only allowing their growers 16 inches of water. He said SSJID is proposing their farmers get 36 inches.

Director Roos asked the public how many of them went through the drought in 1977. Most of the audience raised their hands. He encouraged growers if they have any influence with the media, to contact them. He suggested everyone work together to let the government know that it

is more important for the farmers to have the water for irrigation than to be concerned about the fish.

The public hearing was opened to receive oral and written evidence in support of and in opposition to the proposed actions.

Mr. Hans Weber asked the board why they are suggesting a 10 day rotation for the irrigation schedule. Director Kuil said that growers could choose either a 10 day or 20 day rotation schedule, but that they would only be allowed a total of 36 inches of water for the entire season.

Mr. Robert Longstreth asked with the 36 inch water allotment, how long would there be water in the canals. He asked if the farmer has a well, can credit be given to them for using the well. He asked if it is ok to pass their water on to other growers. Director Kamper stated it is fine for the growers to use their wells to pump water, however the District does not want them to put that water into the canals. Mr. Shields stated the District is not going to abandon the system and if the farmers want to transfer water to help their neighbors, that would be great but the District has to schedule those transfers accordingly. Mr. Longstreth asked how long the irrigation season would run. Mr. Shields said the District expects to keep water running until September 30. Mr. Longstreth indicated that Modesto Irrigation District is implementing three programs to assist their growers and asked if SSJID could use those same programs. Mr. Shields said the District will study their ideas, but the District does not want to be a water bank. Director Holmes said the intent of the 36 inch water allotment is to keep water in the canals for the duration of the water season.

Mr. Butch Rothlin expressed concerns that a 36 inch water allotment cannot make a crop off of oats or corn; especially if you have sandy soil. He says he cannot make it with 36 inches of water. He asked if the farmers could irrigate the same as they did last year rather than having two bad years of crops. He asked if the District could rent pumps as they did during the drought of 1977. Director Kuil said the District has no guarantee of water and not even sure if everyone will get 36 inches of water. Director Holbrook stated that every time the board attends meetings, there are organizations such as the BDCP who keep trying to take our water. He said the District is trying to protect its water rights, but federal legislation keeps trying to take our water rights away from us. Mr. Shields said that SSJID has the cheapest water rates in the state of California. He told the growers they are paying less for water than any other district. He said many districts are adding a drought tax to raise fees. He informed the public that the District has a better irrigation system than anyone else in California.

Mr. Gary Darpinian said he is much happier to be a part of the audience, rather than to be a board member for the District because of the tough decisions they must make. He informed the board that Modesto Irrigation District will allow water transfers if they use more than their allotment. He asked if the grower reaches their 36 inch allotment, would the District consider being flexible and allow for more water. Director Kuil said the District is calculating the water transfers in. Director Holbrook said when farmers make water transfers or pump water into the District's facilities it is not a simple matter. He stated it is about all the growers working with each other and there is still no guarantee that the federal government does not step in and try to take our water.

Mr. Mohler stated that some of the farmers have sub-surface water and asked if they could transfer water from one parcel to another. He said if we put on sub-surface water, could we still use 2 acre feet and would hope the board will work with the growers. He thanked the Board and the District for working with the federal government to keep its water rights. He suggested the day of May 10 or 15 to be a short notice for the farmers to sign up for water transfers. He hopes the Board will be flexible on the dates that water transfers can be accommodated. He stated if the farmers can get a total of 3 acre feet of water during the irrigation season, we should consider ourselves blessed. Director Holmes indicated the Board is open to be flexible with dates when considering water transfers.

Teresa Vandenburg asked why the farmers are only getting notice of the proposed water allotments a few days prior to the public meetings and does not feel it is fair for the District to make these kinds of decisions on such short notice. Both Directors Holmes and Kamper explained they have been working with the water committees and discussing these ideas at the board meetings since last year. They stated that the District has been working diligently to ensure that growers have enough water for a good crop. All of the District's meetings are posted in advance and open to the public and that minutes of those meetings are available on the District's website.

Mr. Paul Tremayne said that he volunteers at Tuolumne Utilities District and that he brags about the good job that SSJID does to protect its water rights. He asked how soon the paperwork to request water transfers would be available to the public. That paperwork will be available as early as Wednesday, March 11.

Mr. Bere Lindley, the District's Finance and Administration Manager, discussed the water allotment transfer provisions in the proposed policy. He said for those farmers who need more than 36 inches of water, it will help if they have another parcel that does not require a 36 inch allotment. He said the farmer would need to complete the paperwork and the District will change that information in their water accounting system. He indicated that extending the May 10 deadline to request a water transfer is not a problem. He stated there would be a limit as to how much water can be transferred off of their property. Once the water transfer agreement is signed, it will be irrevocable during this irrigation season. He indicated that a farmer cannot currently be under a service abandonment agreement. He said if a grower has one large parcel, he can fallow it out to different parcels. Again, he indicated the District will be flexible in setting a deadline for water transfers and could possibly be as far out as June or July. A question was asked if the District would entertain a master account for water allotment as Modesto Irrigation District does. Mr. Shields said he likes the idea of MID's master account system. He informed the public 4 years ago, the ditch tenders had computers installed in their trucks and they have the ability to calculate how much water is being used by growers. He assured the farmers that the District is flexible to work with all of them and urged them to work closely with their ditch tenders, to come into the office and speak with staff regarding their issues. He said "we are all in this together." Mr. Lindley reported the District has made a request to True Point, our billing provider, to change the water accounting software program so the District can let people know exactly how many inches of water they are using.

The District was asked if staff had considered the droughts when it began to sell water to the cities. Mr. Shields informed the public that the cities only use 20,000 acre feet of water to drink. Director Kamper stated that 100% of the pumping expense at the water treatment plant and for their staff is paid by the cities. A question was asked what about people who are pumping water. Director Holbrook stated if you have a well you can pump and the District has nothing to do with it. Director Kuil closed the public hearing.

A motion was made by Director Kamper and seconded by Director Holmes to change the proposed Resolution #15-01-W to set June 15, 2015 as the deadline to apply to the District for allotment transfers, and to adopt this resolution which provides for the 36 inch allotment and allotment transfers. Motion passed 5 to 0 as follows:

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

Item #3 – Public Hearing to consider approval of proposed increase in Division 9 project pressurized water service charge from \$30 per acre-foot to \$55 per acre-foot with annual inflation increase; Board Action

Director Kuil stated there would be no public hearing due to the amount of written protests that were received. He said 117 parcels were eligible to participate in the protest and the District had received protests representing 85 parcels. Because more than 50% of the parcels were represented in the protests received, this rate increase proposal would not be considered by the Board.

Bob Brocchini says that people believe that Division 9 is being subsidized by the rest of the District which is not true. The proposed rate increase would have been an increase of 83%. He spoke highly of the Division 9 project, stating it is a great concept and great system used for irrigating. He realizes the biggest expense is the amount of electricity used to operate the system. He suggests the District pressurize the remaining divisions that are in the District. Director Holbrook stated the original charge for turnouts in Division 9 was approximately \$2500, but the actual construction cost was closer to \$25,000 to \$30,000 each. Director Roos said the Division 9 was a pilot project and the District spent approximately \$14 million to implement the project. The proposed rate change to \$55 per acre-foot was the District's attempt to regain some of those costs.

Item 4 – Consider adoption of Water Treatment Plant Budget for fiscal year ending June 30, 2016

Mr. Erisman explained the budget had been submitted to the cities on March 4, 2015 for their review prior to being presented to the Board. As of today, no issues have been raised by the cities concerning the proposed budget.

A motion was made by Director Holbrook and seconded by Director Roos to approve the recommended Fiscal Year Ending 2016 budget. Motion passed 5 to 0 as follows:

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

Item #5 – Consider amendment of SSJID budget for 2015 and Water Treatment Plant budget for fiscal year ending June 30, 2015

Mr. Erisman said that recent water conservation measures to the cities is the biggest change in the budget and will impact a variety of approved budget accounts on the Fiscal Year ending 2015 and the Calendar Year 2015 budgets.

A motion was made by Director Roos and seconded by Director Holbrook to accept staff's recommendations to adopt the \$121,159 amendment to the SSJID budget for 2015 and to adopt the \$299,163 decrease to the expense budget of the water treatment plant for FYE 2015. Motion passed 5 to 0 as follows:

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

Item # 6 – Consider approval of San Joaquin Tributaries Council Formation and Joint Defense Agreement

Mr. Shields noted the SJTA is requiring the District's commitment be for three years. Director Holbrook does not approve of this position because the SJTA is not set up to help the District. Director Roos stated the work the SJTA does is serious business and the District needs to have representation at the state level. Director Holmes believes a unified approach to the water issues is better than not being represented.

A motion was made by Director Roos and Director Kamper to approve and join the San Joaquin Tributaries Council and Joint Defense Agreement, but subject to a cap on the annual contribution of \$125,000 per year, no more than a one year financial obligation, and with no specification in the agreement of venue for court settlement of member disputes. Motion passed 5 to 0 as follows:

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

Item #7 – COMMUNICATIONS

Director Roos stated he would not be attending the next board meeting on April 25.

Director Holmes thanks staff for their hard work in making the Employee Appreciation Dinner a success.

Director Holbrook thanked staff for the Employee Appreciation Dinner and also thanked staff for setting today's board meeting up for the public hearing. He will be attending the CMUA conference on April 14, 2015, along with Jeff Shields and suggested the first April board meeting be moved to Monday, April 13. Director Holbrook thanked John Fultz for attending the meeting.

Director Kuil said he appreciated staff for the hard work in preparing for the Employee Appreciation dinner and said that he is unable to attend the board meeting on April 25.

Ed Erisman, Water Treatment Plant Operations Manager

- Water quality has improved with the 400 CFS inflow into Woodward since last Wednesday.
- WTP staff started the annual cathodic protection testing with JDH Corrosion this week; the process takes three to four days to complete.
- Testing for the Operator in Training/T3 position is scheduled for this Friday.

Bere Lindley, Finance/Administration Manager

- He reported the activities related to the drought; an emergency bulletin was sent out to farmers; a strike force team has been formed consisting of Tony Encalade and John Briggs with support from Forrest Killingsworth and Julie Vrieling; this team is gathering information regarding the parcels that used more than 42 inches of water.
- The District has information on its website and an application for those who want to review their water usage; they can also find an allotment transfer application online.

Joe Catanzarite, Operations/Water Superintendent

- He said his crews are prepared to start the water season on March 15; there are 17 to 18 District pumps and private pumps. He said the main canal will be filled up on Thursday morning and that all construction has been completed.
- Employees were trained on the use of big rig equipment this week.
- 400 CFS were brought into Woodward and it is now at 205 feet of elevation. It will be at 210 feet of elevation by May 10. Jeff Shields said the SWRCB is proposing a 50 CFS diversion.

Troylene Vallow, Communications Coordinator

- She appreciates working with Jeff and Bere on preparing the communications bulletin to the growers. Director Holmes asked if a monthly follow-up bulletin could be sent to the farmers. Ms. Giuntoli suggested a one-page note would be best and could be sent out with the volumetric billing statements.
- Employee dinner will probably be set up buffet style for next year to cut costs.
- Manteca Every 15 Minutes Program is holding a shrimp feed on Saturday, March 21.

Ron Berry, Tri-Dam General Manager

- Reported there was a town hall meeting held on Saturday, March 7. It was well attended and the citizens were happy to hear the reservoir would not be drained. He said there could be a shortfall from Tulloch reservoir but the Bureau may fill it to 65,100 AF on

March 15. He said there were congressmen and senators in attendance. Jack Cox lives on the reservoir and encouraged citizens to send emails to the Tri-Dam website.

Jeff Shields, General Manager

- He reviewed the Tri-Dam operations report and projected water budget reports.

Sam Bologna, Engineering Department Manager

- Julie Vrieling and Forrest Killingsworth have done a tremendous amount of work related to the Task Force, trying to eliminate error, updating maps for division boundaries.
- The ACEC (American Council of Engineering Companies) recognized the Division 9 Irrigation Enhancement Project and has been selected to receive an award on Tuesday, April 21, at the Washington Marriott Wardman Park in Washington, DC.
- He met with San Joaquin County in regards to the McHenry Road Bridge project.

It was announced that items 8 a, b, & c would be discussed in Closed Session.

Item #8 – 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
- b. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9
- 1 case
- c. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9 (d) (1)
Pacific Gas and Electric Company v. San Joaquin Local Agency Formation Commission
San Joaquin County Superior Court
Case No. 39-2015-00321743- CU-JR-STK

Upon their return from closed session, it was reported the following action was taken on item B. A motion was made by Director Kamper and seconded by Director Holmes to deny the Tort Claim from Verizon. Motion passed 5 to 0 as follows:

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

ITEM #9 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kamper and seconded by Director Holbrook to adjourn the meeting at 12:50 p.m. Motion passed 5 to 0 as follows:

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

ATTEST: _____
 Betty Garcia, Executive Secretary