

Manteca, California  
March 11, 2014

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:00 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. Gary Darpinian of Modesto addressed the board. He wants to be able to use his well to pump water into the District's facilities for delivery to his land this irrigation season to help with the long rotation schedule. He asked that the Board consider allowing this. He expressed concerns in regards to the realignment of the Divisions in this dry year and also said it would be helpful if the District would send out a newsletter to the growers informing them of the decisions being made by the District and the Board of Directors. This item is being referred to the Water Committee.

Mr. Martin Harris of Manteca addressed the Board stating that he farms 200 acres southwest of Manteca and would like to annex his property into the District. He has been working with Sam Bologna in regards to annexation and hopes to have the Board's support.

Mr. Dwain Zack of Escalon, who farms on McHenry, addressed the board. He understood that some farmers will get water every 14 days and others will get the water every 28 days. A corn field would receive water every 14 days and will get up to 42" of water and his orchard will only get 21" on the 28 day cycle and this is not equitable. He had been informed by staff that flood customers watering trees will only be allowed water every 28 days this year because flood is less efficient than sprinkler and drip irrigation users who are allowed water more frequently because they have done their conservation. He disagreed that flood irrigating is not as efficient as other methods, such as, sprinkler and drip which seems to be more efficient. He would like to be able to move water around his various fields. He stressed the importance of communication between the District and the growers. Mr. Zack suggested getting the irrigation information posted to the District's website so the farmers will be able to stay informed about decisions that will affect them.

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

**CONSENT CALENDAR**

A. Approval of Warrants in the amount of \$272,793.31; A/P Wires in the amount of \$378,225.18; payroll dated March 7 in the amount of \$202,281.50.

- B. Approval of the regular Board Meeting Minutes of February 25, 2014.
- C. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Robert Gillispie, APN 205-080-07.
- D. Approval of Notice of Completion for the Blossom Grove Development.
- E. Approval of Resolution #14-02-Q authorizing disposal of surplus equipment.

RESOLUTION 14-02-Q

**WHEREAS**, the District may dispose of equipment it finds no longer necessary for District purposes; and

**WHEREAS**, the following IT equipment is no longer necessary for District purposes:

Serial	Description
001077	Asus Z7100 Laptop
001170	HP Mini 1154nr Netbook
001171	HP Mini 1154nr Netbook
001172	HP Mini 1154nr Netbook
001174	HP Mini 1154nr Netbook
001175	HP Mini 1154nr Netbook
001178	HP Mini 1154nr Netbook
001179	HP Mini 1154nr Netbook
001295	HP Mini 1154nr Netbook
001296	HP Mini 1154nr Netbook
001297	HP Mini 1154nr Netbook
001298	HP Mini 1154nr Netbook
001299	HP Mini 1154nr Netbook

**THEREFORE, BE IT RESOLVED** that the District authorizes staff to dispose of the above listed surplus equipment.

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

<b>AYES:</b>	HOLBROOK HOLMES KAMPER KUIL ROOS
<b>NOES:</b>	NONE
<b>ABSTAIN:</b>	NONE
<b>ABSENT:</b>	NONE

**ACTION CALENDAR**

**Item #1 – Consider further delay in starting 2014 Irrigation season, Water Supply Forecast, and Woodward elevation**

Mr. Shields distributed the Water Supply & Demand projection summary for 2014 which reflects the plan to keep Woodward Reservoir at minimum level. This chart indicates there would be 187,346AF available for irrigation at the farmgate. The District will not allow a grower to use the District’s facilities to move water because the District needs the facilities to make deliveries. This worked in 1977 because there was no District water in the canals.

Mr. Zack lacks confidence in the way the District measures the amount of water each farmer receives and he does not support time limits being put on the farmers. He suggested that the District’s website be updated more often in a dry year like the one we are experiencing.

Director Holbrook thanked the farmers for coming to the Board meeting and sharing information that is helpful to the District. He stressed the importance of working with each other. Director Holmes advised Mr. Zack that the District wants to conserve as much water at the start and end of the season so that they will be able to provide a good amount of water to the farmers during the dry months of July and August.

Mr. Shields stated the State Water Resources Control Board may be issuing a water right curtailment order. If so, there may be a need to operate differently. Mr. Emrick stated that in light of the dry year, the level of Woodward should be raised above 195’ by May 1 as necessary to make deliveries to the 3 cities. Director Roos asked that the Water Committee meet to discuss the issues of the farmers.

A motion was made by Director Kuil and seconded by Director Holbrook to start the water season on Monday, March 17, with a 14/28 day run and may be changed later based on supply and demand. The Water Department is to allow farmers to have the option of taking water every 14 days if possible. Motion passed 4 to 1 as follows:

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

**Item #2 – Discussion of debt service coverage and capital contributions**

Mr. Bere Lindley advised the audience to make the District aware if their water charges do not appear to be correct. He said there are reduced hydroelectric revenues this year which produces a challenge to the District’s ability to achieve the minimum required debt service coverage ratio of 125%. He explained the crisis is artificial in two respects. First, even several years of extreme revenue reductions would pose no financial difficulty for SSJID, given the amount of financial reserves on hand. Secondly, the debt service coverage challenge is merely the creature of a formula in the rates covenant of our bond indenture. Nonetheless, it is very important the District honor the commitments it agreed to when the bonds were issued. He suggested that one approach to improving the 2014 debt service coverage is to arrange some of our activities to better accommodate the provisions of the coverage calculation formula. One such opportunity is

afforded by some of our capital contributions transactions. According to bond counsel, capital contributions of cash are treated differently than capital contributions of property. This item was for information only and no action was taken.

**Item #3 – Consider approval of pipeline replacement plans, Grant of Easement, and Encroachment Agreement for the American Crane project and authorize staff to enter into agreement with project developer to authorize replacement of District pipeline by District personnel**

Mr. Bologna indicated the developer, Keith Powell, is required to replace approximately 762 feet of pipeline. One proposal is to allow the District crews to perform the work with the developer who is funding the project. The developer is in favor of this concept and is willing to sign an agreement that contains provisions that allow for the work to be completed by the District. A cost estimate has been prepared and indicates that the work could be completed for approximately \$107,000.

A motion was made by Director Holbrook and seconded by Director Kamper to approve staff's recommendation to approve pipeline replacement plans, grant of easement, and an encroachment agreement, as typically required for developments, and authorize staff to prepare and sign a developer's agreement that will contain provisions for the developer to compensate the District for replacement of the pipeline through the property as specified in the agreement. The motion passed 5 to 0 as follows:

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

**Item #4 – Authorize staff to contract with City of Manteca, Bianchi Ranch Partners and DSS Corporation for replace of District's facilities within proposed extension of Atherton Drive**

Mr. Bologna indicated this work could be done during the water season and they would be able to tie in to the irrigation line. Director Kamper asked why the timing of the project was off. Mr. Ron Cheek with RLC Associates stated that the City of Manteca has held this project up. Mr. Bologna will continue to work with RLC and Mr. Cheek in regards to the sewer and storm drain lines. Dewatering will be required.

A motion was made by Director Kuil and seconded by Director to approve staff's recommendation that the District enter into a contract with the construction contractor for the District to administer the contractor's relocation of the Yb lateral, subject to the District entering into a contract with the City of Manteca for the City to reimburse the District for the construction costs. This option would help with the District's proposed budget plan. The approximate cost for all work related to the irrigation relocation is \$400,000. Motion passed 4 to 1 as follows:

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

### **Item #5 – Communications**

Director Holbrook asked that a meeting of the Equipment Committee be set up to discuss at what mileage District vehicles shall be replaced. He attended the San Joaquin Farm Bureau event that provides over \$30,000 for scholarships. He announced the Every 15 Minutes Shrimp Feed that will be held on Saturday, March 22 at the MRPS Hall in Manteca. Tickets are \$35.

Director Kuil expressed concerns regarding the 14/28 day irrigation cycle. Joe's letter said that farmers who flood permanent crops will only get water every 28 days. He said he thought that it had been the District's practice that a farmer could choose whether to irrigate every 10 days or every 20 days and could take water back to back if the farmer wanted to and it is the consensus of the growers he has talked to that the same should be true on the 14/28 cycle, regardless of crop. He said growers should be able to pump water into the District's facilities.

Mr. Shields stated that he understood that in normal years the farmers could irrigate on a 10/20 day rotation if they choose to. The Ditch Tenders have flexibility to give water to the growers.

Director Holmes said that historically on a 10/20 day rotation, it is the grower's decision how much they will irrigate.

Director Holbrook said the Board needs to clarify with the water department how often the District is going to rotate the water. Procedurally, the District will rotate the water 14/28 days and the growers can take the water when it is available. They will need to work closely with their Ditch Tender. Drip and micro systems require water more often.

Director Kamper noted that some of the return envelopes with the P O Box were being returned to them with their payment. He asked staff to check that the correct mailing address was on them.

Director Roos stated that the San Joaquin Farm Bureau was providing bus transportation to Sacramento on Wednesday, March 12, to attend the Regional Water Board meeting. He said that Bruce Benson appeared before a Congressional meeting of mayors and politicians to discuss protecting our natural resources. He also reported that the Ad Hoc committee for the Tri Dam General Manager interviews would be held on Friday, March 13, Tuesday, March 18, and Thursday, March 20.

#### **Ed Erisman, Water Treatment Plant**

- The City of Manteca has requested the M3 booster station be brought back on-line. Staff is disinfecting the interior of the 1 million gallon storage tank and will have the entire station back in service by Friday, March 14.
- Jorgensen completed the annual fire pump testing at the WTP and the Tracy Booster station.
- The rebuilt #2 clear waste water pump was re-installed and is running well.
- Staff replaced a worn out 10" plant recycle flow meter. The old unit is being sent out to be rebuilt.

The Board congratulated Mr. Erisman on his new position.

Bere Lindley, Finance/Administration Manager

- He met with Oakdale Irrigation District CFO to discuss joint efforts to get debt coverage service up to the minimum standard. He learned in that meeting we may not be able to increase this year's distributions from Tri Dam and the District needs to pursue other strategies to remedy debt service coverage.

Nick Fereria, Assistant Water Superintendent

- In regards to the 14/28 day rotation, he asked what if the farmers want to take water every 14 days? The Board members replied that the decision today on Item #1 was for the water department to give all farmers the option of taking water every 14 days if possible. Director Kamper suggested the water department start with 14 day rotations, and if needed, can be moved to 12/24 or 10/20 day rotations.

Sam Bologna, Engineering Department Manager

- Staff is working with Stantec and they have revised their Scope of Work and the next milestone. They are finalizing specifications to drill a well at Division 9.
- He attended the USCID Conference where they discussed a variety of groundwater issues and water management strategies. Participants included water agencies throughout California, the U.S., and other countries. The conference included a tour of Folsom Dam on Tuesday and concluded with a tour on Friday of the Division 9 project that we hosted followed by a tour of OID's Northside Reservoir project that OID hosted. The attendees were very impressed with the Division 9 project and we received a lot of positive feedback from all that attended.
- He will continue to follow up with Bere to look for opportunities to find money from various projects.

Jeff Shields, General Manager

- Auditors are here this week.
- Announced that Ed Erisman has been named Treatment Plant Manager and congratulated Ed Erisman on his promotion. The plan to fill Ed's former position is for it to be posted in-house.
- Tri Dam recruitment for General Manager should be completed and position should be filled by June 1.
- ACWA Conference is May 6 in Monterey.
- Me-Wuk/TUD transfer agreement has been fully executed but still waiting for the Bureau of Reclamation to give the final approval.
- IRS mileage reimbursement is now \$0.565 per mile.
- APPA conference in Denver on June 13 – 18.

It was announced that item #6 a, b & c would be discussed in closed session:

- a. Conference with Legal Counsel – Anticipated Litigation  
Initiation of litigation pursuant to subdivision (c) of  
Government Code Section 54956.9  
2 cases

- b. Conference with Legal Counsel – Existing Litigation  
Government Code Section 54956.9 (9)  
Cleo Johnson v. SSJID, Superior Court, San Joaquin County  
Case No. 39-2011-00268620
  
- c. Conference with Legal Counsel – Anticipated Litigation  
Significant exposure to litigation pursuant to subdivision (b) of  
Government Code Section 54956.9  
1 case

Upon their return from closed session, it was reported that no reportable action was taken.

**ITEM #7 – 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 at 12:50 p.m. Motion passed as follows:

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

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