

Manteca, California  
April 22, 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 Finance & Administration Manager Bere Lindley, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Executive Secretary Betty Garcia.

**Public Comment**

There was no public comment.

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

**CONSENT CALENDAR**

- A. Approval of Warrants in the amount of \$367,939.86; A/P Wires in the amount of \$224,278.52; payroll dated April 18 in the amount of \$177,576.25.
- B. Approval of the regular Board Meeting Minutes of April 8, 2014.
- C. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Garnett & Joan Pierce, APN 229-110-28&29.
- D. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Herman & Hendrika Drost, APN 245-120-05 & 30.
- E. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, JCB Properties, APN 228-040-02 & 03.
- F. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Bert & Jacqueline Ballatore, APN 245-120-33.
- G. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Bert & Jacqueline Ballatore, APN 245-130-06.
- H. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Phippen Brothers LP, APN 245-200-23.
- I. Approval of the Irrigation Service Abandonment agreement for Susan Teunissen, APN 226-1030-29.

- J. Approval of the Irrigation Service Abandonment agreement for Michael & Susan Teunissen, APN 226-150-33.
- K. Authorize completion of the sale of District's River Road Property to North Forty Vineyards, LLC and approve Resolution #14-04-P.

Director Holbrook noted that he did not see anything in regards to dust control on item K and questioned if that was going to be a part of this agreement.

A motion was made by Director Holbrook and seconded by Director Kuil to remove item K from the consent calendar until the dust control issue had been researched. Motion passed 5 to 0 as follows:

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

A motion was made by Director Holmes and seconded by Director Kamper to accept the Consent Calendar items (minus item K) 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 – Consider 2014 Water Supply Forecast, Irrigation Schedule, and Woodward elevation**

Mr. Lindley distributed updated information on the projected water budget for 2014 and said there is a good chance the District will use little or none of the water in our conservation account. After May, the District could possibly move to a 10 day irrigation rotation. The water surface elevation at Woodward Reservoir is currently at 206 feet above sea level. Staff met with Ken Robbins who discussed the Department of Water Resources intent to consider issuing a pre-1914 water rights curtailment about June 15. Mr. Robbins suggested the District put as much water as possible into Woodward in order to have enough water for the irrigation season in the event of a pre-1914 curtailment order. Mr. Lindley said SSJID does not believe the Department of Water Resources has the authority to regulate pre-1914 water rights and would oppose a curtailment order on pre-1914 rights.

Director Holmes asked the status of repairing the intake screens and said staff would need to think critically about how to schedule both the repairs and the use of Woodward for additional storage. Mr. Lindley stated that Tri Dam management is under instruction to hold back water until the start of the next water year on October 1. There was no action taken on this item.

**Item #2 – Consider approval of awarding contract to Stantec to assist the District in applying for a federal grant and approving Resolution #14-06-G which documents that action**

Mr. Bologna said the Bureau of Reclamation has opened the application period for their WaterSMART grant program entitled “Development of Feasibility Studies under the Title XVI Water Reclamation and Reuse Program for the Fiscal Year 2014” that will provide funding for studies that primarily focus on planning for irrigation and urban water reclamation and reuse projects that also conserve and use water more efficiently. He also indicated that the current feasibility study for the pressurized system aligns well with the intent of the grant and if awarded will help finance the current effort as well as any proposed Phase II effort. Both water agencies and public agencies are eligible to apply for Group I or Group II funding. It is recommended that the District apply for both grant groups; \$150,000 for small projects and \$450,000 for larger regional projects. Director Holbrook asked if we are awarded the funds will that limit how we implement the project. Mr. Bologna indicated that while they do expect to have some input, there is nothing in the guidelines that suggest that it would alter how we would implement the project.

A motion was made by Director Kuil and seconded by Director Kamper to amend our current contract with Stantec Engineering to include grant acquisition tasks in an amount not to exceed \$5,500; to proceed with the grant application process and to adopt Resolution #14-06-G. Motion passed 5 to 0 as follows:

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

**Item 3 – Consider approval of Western Area Power contract agreement and Resolution #14-05-E to authorize contract**

Mr. Battles stated the Western Area Power Administration (WAPA) is a sister company to the Bureau of Reclamation. In July 2010, the District received notification that it was selected as a new allottee with a small base resource allocation of 468,000 kWhs annually. WAPA has been working with the District to determine interconnection points on the PG&E distribution system where it can accept the allocation. The allocation of power commences on January 1, 2015.

A motion was made by Director Holbrook and seconded by Director Kuil to authorize the General Manager to sign the WAPA agreement and allow the District to become a Federal Power customer and adopt Resolution #14-05-E which documents that action. Motion passed 5 to 0 as follows:

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

**Item # 4 – Quarterly presentation of Financial Statements**

Mr. Bere Lindley reviewed the operating revenues which includes irrigation and treated water sales, other water sales and electric sales and said that currently the revenues are under budget by \$285,193. He also reviewed the operating expenses, nonoperating revenues (expenses), and changes in net assets.

He discussed debt service coverage and said year-to-date the ratio is at 160% which is good. He indicated the coverage ratio could be threatened this year by lower Tri Dam distributions. , He also said we have a variety of options for augmenting the debt service coverage ratio. We are in a good position to respond to this because of our strong cash reserves and the diversity of revenue sources including, the rate stabilization fund and the ability to convert non-cash capital contributions into cash capital contributions. This was for information only and no action was taken.

**Item 5 – Quarterly presentation of Investment reports**

Mr. Bere briefly reviewed the quarterly investment reports which includes a summary of cash and investments.

**Item K – Authorize completion of the sale of District’s River Road property to North Forty Vineyards, LLC and approve Resolution #14-04-P**

Mr. Emrick reviewed the contracts for the sale of District property and found that the District will assist with dust control but the North Forty Vineyards waives the responsibility to the grantee which is SSJID.

A motion was made by Director Holmes and seconded by Director Kuil to authorize District personnel to sign the necessary documents to complete the sale and to adopt Resoution #14-04-P which documents that action. The motion passed 4 to 1 as follows:

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

**Item #6 – Communications**

Director Holbrook attended the San Joaquin Farm Bureau (“SJFB”) 100 year anniversary dinner on April 11. One of the speakers mentioned how drones fly around our property and a few days later he noticed one flying overhead. He also attended the SJFB Water Advisory Committee meeting on April 16 and the main subject was groundwater management reform. He attended a meeting with San Joaquin County in regards to a proposal to build a reservoir but the costs are far too expensive.

Director Kuil attended a meeting sponsored by SJFB and PG&E and spoke about energy efficiency programs. He discussed how PG&E will assist in paying for farmers to convert from sprinkler to drip irrigation systems and other various irrigation improvements.

Director Kamper attended a meeting similar to the one Director Holbrook attended in regards to building a reservoir but the costs were too expensive.

Director Roos attended the 100 year anniversary dinner at the SJFB which was well attended and they spoke to the ground water issues. He also attended the SJFB and PG&E meeting and said that it was very interesting and done well.

#### Ed Erisman, Water Treatment Plant

- Staff began dosing ammonia at the Tracy Booster station on Monday, April 21, at the request from the City of Tracy.
- The “no bodily contact” order at Woodward Reservoir was lifted on April 16. The WTP is now using the upper intake and the water quality looks good.
- The Operations Committee held its quarterly meeting on April 14. All four cities are interested in looking at the WTP as well as the transmission system to see if there is any value in approaching Phase 2 of the South County Water Supply Project in stages. Both WTP and District engineering staff have started working on an assessment of system capacities.

#### Troylene Vallow, Communications

- She distributed thank you letters from charitable donations for the Board’s review.
- Congratulated Director Holbrook for being recognized in the government category by the Boys & Girls Club.
- Escalon Wine Stroll will be held on April 25 from 5:30 to 8:30 p.m.
- Manteca Unified School District will be holding their Planet Party Day for 6<sup>th</sup> graders to learn about environmental issues on May 1.
- Great Valley School is holding its Ag Day on May 2.
- RINA’s Run in Ripon will be held on May 10 to raise funds for the stadium project.
- Not Forgotten program recognizes veterans on May 26.

#### Sam Bologna, Engineering Department Manager

- He attended the Groundwater Basin Authority committee meeting along with Jeff Shaw from Stantec who spoke about grant opportunities. SSJID will assist the GBA in groundwater monitoring level of wells.
- He is still looking for projects that present opportunities to convert noncash capital contributions into cash capital contributions in order to help with the debt service coverage ratio for 2014.

#### Bere Lindley, Finance & Administration Manager

- Staff will be applying Magnacide to the canals in early May. He contacted a contractor who will give a proposal to oversee the application and help prepare any required reports for regulatory authorities.
- He said the Stantec invoice included a status report with their accomplishments.

- Had a meeting with Rex Osborn to discuss core values for the District; staff that attended gave input and are working towards improving the employee evaluation process.
- Manteca Bulletin printed an article with regards to the Manteca City Council voting to have staff explore working with the South San Joaquin Irrigation District to see if 7 million gallons per day of treated wastewater the city releases back into the San Joaquin River could instead be diverted for local farm use.

Structure permit approved:

- Paul Dole, APN 245-130-22, Lateral “Rr38dd”
- W&L Harris Ranches LLC, APN 245-150-17

**Item #7 – Closed Session.** It was announced that items 7a & b would be discussed in closed session.

- a. Conference with Legal Counsel – Anticipated Litigation  
Initiation of litigation pursuant to subdivision © of  
Government Code Section 54956.9  
- 2 cases
- b. Conference with Legal Counsel – Anticipated Litigation  
Significant exposure to litigation pursuant to subdivision (b) of  
Government Code Section 54956.9  
- 1 case
- c. Conference with Real Property Negotiator  
Property – 17200 Murphy Parkway, Lathrop  
Agency Negotiators: Jeff Shields, Don Battles, Steve Emrick  
Negotiating Parties: SSJID, Beowulf Energy, LLC and Bicent Power, LLC  
Under Negotiation: Price

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

**ITEM #8 – ADJOURNMENT**

There being no further business to come before the Board, it was moved by Director Kamper and seconded by Director Kuil to adjourn the meeting at 12:10 p.m. Motion passed as follows:

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

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