

Manteca, California  
May 26, 2015

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

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL  
ABSENT: ROOS

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 \$454,923.95; A/P wires in the amount of \$313,435.15; payroll dated May 15, 2015 in the amount of \$190,615.72.
- B. Approval of the regular Board meeting minutes of May 12, 2015.
- C. Consent to SSJID's entry of property to read and to maintain flow meter for Richard A. Fonseca, APN 226-020-29.
- D. Consent to SSJID's entry of property to read and to maintain flow meter for Kenneth G. DeJong Trust, APN 226-110-08.
- E. Consent to SSJID's entry of property to read and to maintain flow meter for Robert Hunt and Diane Marie Christensen, APN 245-140-11.
- F. Consent to SSJID's entry of property to read and to maintain flow meter for W & L Harris Ranches, LLC, APN 245-250-24.

Director Kuil noted on item #10 of the minutes, he voted no. Director Holbrook noted on page 12 of the minutes, item #13, "to the groundwater laws" should read "spoke to the groundwater laws." A motion was made by Director Kuil and seconded by Director Holbrook to accept the Consent Calendar with the above noted changes and passed 4 to 0 by the following roll call vote:

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

## **ACTION CALENDAR**

### **Item #1 – Consider acceptance of SSJID financial statement audit for 2014**

Mr. Brian Nash with Richardson & Company reviewed the audit findings for 2014 with the Board. He said the result of the audit was an unqualified or “clean” opinion, and that no significant difficulties were encountered, no disagreements with management, no new major issues discussed with management prior to retention or management consultation with other auditors that they were aware of. He said a loss of \$6.8 million exists due to lower revenue, mainly water transfers and Tri-Dam. The conservation program liability decreased as the program is winding down. The current portion of long-term debt declined due to pre-payment (defeasance) of 2015 maturities of the 2012A bonds. Mr. Nash recommends greater segregation of duties for the Lathrop Irrigation District (LID) electric billing and collection process.

A motion was made by Director Holbrook and seconded by Director Kuil to accept the audit findings performed by Richardson & Company, LLP. Motion passed 4 to 0 as follows:

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

### **Item #2 – Consider commercial insurance renewal by David Ward**

This item was not heard as Mr. Ward was not present at the meeting.

President Holmes stated the board would discuss item #10 at this time.

### **Item #10 – Consider amendment to Irrigation Service Abandonment No. 442 for Michael Eskes, APN 245-190-20**

Mr. Sam Bologna, Engineering Department Manager, indicated this particular parcel has been receiving water, although the land was previously signed off by Michael Eskes in 1992. Mr. Eskes was in attendance at the board meeting. Until recently, the water department was unaware that the orchard consisted of two parcels and therefore all water delivered to the field was allocated to Randy Eskes. The specific conditions for approval that staff recommends are as follows:

1. Lateral “T” is the District facility that is closest to the Subject Property. It is capable of delivering flood water to the Subject Property through the Adjacent Property; however, private improvements including a new takeout, piping, and valve structures would be required to allow flood irrigation. If Owner desires to receive flood water, and as a condition to receiving water, Owner is responsible for installing all improvements necessary to deliver flood irrigation to the Subject Property. Owner is required to obtain a Structure Permit from District before installing any facilities that will connect to District’s facilities.
2. Sprinkler water is currently available through an existing sump that is located on the Adjacent Property and is connected to SSJID Lateral “T”. As a condition to receiving

water, the existing sump facility shall be inspected by SSJID staff to verify conformance with the District's Standards. In the event that improvements are required, the owner shall be required to obtain a structure permit from District prior to receiving District water.

3. Because water will be transported through neighboring properties, Owner shall obtain a formal easement agreement from neighbor to install private line(s) on his property. The agreement should address terms of maintenance, access, duration, metering, and change of parcel ownership. SSJID will not act as a moderator of this agreement.
4. Owner is responsible for complying with the District's rules regarding irrigation service as it relates to sharing the use of the private facility that will be shared with the Adjacent Property. As a condition of approval, Owner shall obtain a formal recorded easement agreement with each separate parcel comprising the Subject Property benefitting from the source of irrigation service and with the Adjacent Property in order to allow use of the Adjacent Property for delivery of water to the Subject Property. The agreement should also address all issues related to the shared use of the private pipeline(s) and other associated facilities including, but not limited to, terms of maintenance, access, duration, metering, and of parcel ownership. SSJID will not act as a moderator of this agreement. Furthermore, SSJID will not be required to provide water to any system that cannot take the water efficiently and effectively.
5. Owner acknowledges that Owner will be responsible to make arrangements to service the balance of the Subject Property in the future should any part of Subject Property or the Adjacent Property be sold to another party and this stipulation shall be disclosed to any perspective buyer. Disclosure shall indicate that the District shall have no obligation to pay for any improvements for current or future changes in service to any part of the Subject Property. Additionally, should any part of the Subject Property be sold, a recorded agreement shall be established to the extent necessary to transport water across one parcel to the benefit of another and the agreement should address terms of maintenance, access, duration, metering, and change of parcel ownership. SSJID will not act a moderator of this agreement.
6. Owner intends to deliver SSJID water to the multiple parcels comprising the Subject Property through a single sump structure that also irrigates the Adjacent Property. The District reserves the right to require individual meters to be installed to accurately measure water delivered to each parcel comprising the Subject Property at Owner's expense. The District will notify Owner when the District requires the Owner to install the additional meter(s). The Owner is required to install the meters according to the District Specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to the Owner until the Owner installs the meters to the District's Specifications at the Owner's expense within the time frame specified in the notice.
7. If the Subject Property is irrigated by flood, water use will be measured based on a time vs. flow calculation as recorded by the District. The District shall reserve the right to

require flow meter/meters, meeting the District Specifications, to be installed at the Owner's expense to accurately measure the delivered water to each parcel comprising the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter/meters. The Owner will be required to install the meter/meters according to the District's specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter/meters.

8. If the Subject Property is irrigated by sprinkler, a meter per District Specifications will be required on the pumping system to keep a running total of water delivered. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to the Subject Property based on the proportional percentage of irrigated acreage, until such time as District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described above.
9. Owner is responsible for all costs related to providing service to the Subject Property, including standard water charges and back fees consistent with District policy.
10. Owner shall not be eligible to receive the 36" water allotment for the 2015 irrigation season due to drought conditions. (This stipulation is consistent with the Board action on May 12, 2015 involving similar amendments to other service abandonment agreements approved at that meeting. However, it should be noted that this parcel could still be eligible to receive transferred water from other parcels that are currently in the District if it is deemed eligible under the transfer policy and it has met all other conditions specified above).
11. Conditions stated above shall be incorporated into the amended agreement.

A motion was made by Director Kuil and seconded by Director Kamper to approve the agreement to amend Irrigation Service Abandonment agreement subject to the above stated recommendations, and a revision to the standard agreement that further reflects those conditions; however recommendation #10 is excluded and Mr. Eskes will be allowed to take a full allotment of water this year for this parcel but will not be allowed to transfer water out. Approval shall be subject to the terms and conditions specified in the revised policy entitled "Policy for Rescinding Irrigation Service Abandonment." Motion passed 3 to 1 as follows:

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

### **Item #3 – Water Supply Forecast**

Mr. Shields stated the District is saving more water than originally anticipated. Consumption is down substantially and inflow is up quite a bit. He anticipates the State will curtail pre-1914 rights in the San Joaquin River this week. At SSJID, irrigation water use is down by

approximately 27% from 2014 and is currently on track to be 31.71% below its 2013 water use. He said the weather has been favorable and there is close to 100% probability of strong “El Nino” conditions this fall.

**Item #4 – Proposal to remove June 15 deadline for allotment transfer agreements**

Mr. Bere Lindley, Finance and Administration manager, said eliminating the deadline would make the process simpler for both staff and irrigators and could prevent a wave of transfer applications just before June 15. He stated it would give irrigators more time to plan their mid and late season use of water.

A motion was made by Director Holbrook and seconded by Director Kamper to approve staff’s recommendation to repeal the June 15 deadline for allotment transfer applications. Motion passed 4 to 0 as follows:

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

**Item #5 – Financial Statements for April 2015**

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

**Item #6 – Investment Reports for April 2015**

Mr. Lindley informed the board that he asked Kevin Martin to get a little more aggressive with the investments to increase the yield. This item was for information only and no action was taken.

**Item #7 – Consider conditional approval of an Encroachment/Easement and consent to common use agreement with San Joaquin County regarding replacement of the McHenry Avenue bridge crossing of the MDC encroachment on Lateral H and the extension of the MDC spill culvert at River Road**

Mr. Bologna stated that San Joaquin County plans to improve the MDC (Main Distribution Canal) bridge at McHenry Avenue and the spill culvert on River Road (Escalon Spill). He said the District will support the County’s work but not with a monetary contribution.

A motion was made by Director Holbrook and seconded by Director Kuil to authorize the Board President and Secretary to sign the document entitled “Encroachment/easement and consent to common use agreement with South San Joaquin Irrigation District for McHenry Avenue bridge 29C-166 replacement, pipeline, and spillway,” and to have General Counsel verify that storm drainage is included in the agreement and that the Engineering Department ensures it is covered in the plans and specifications as part of the approval when they are satisfactorily completed.

Motion passed 4 to 0 as follows:

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

**Item #8 – Consider conditional approval of Oleander Estates, Unit #3**

Mr. Bologna indicated that the original agreement calls for relocation of the existing pump located on Peach Avenue. The developer prefers to leave the well and pump in its current location and to make improvements to the well rather than to relocate it. Director Kuil said it would be best to relocate the well somewhere else. Mr. Emrick asked if the well could be relocated to a storm water basin.

A motion was made by Director Holbrook and seconded by Director Kuil to table this item until staff can bring back more information to review; the information currently being presented means the District will be giving up a lot and it would be best to bring more options back to the board for consideration. Motion passed 4 to 0 as follows:

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

**Item #9 – Consider amendment to Irrigation Service Abandonment No. 630 for Steve Chinchiolo, APN 245-230-56**

Mr. Bologna said the land had been signed off by Joseph Bettencourt in 1992. However, the newly formed drought task force discovered that water was being used during a “high-usage investigation.”

Specific conditions for approval that staff recommends are outlined as follows:

1. Lateral “P” is capable of delivering flood water to the Subject Property; however, private improvements including irrigation valves will be required to allow flood irrigation. If Owner desires to receive flood water, and as a condition to receiving water, Owner is responsible for installing all improvements necessary to deliver flood irrigation to the Subject Property. Owner is required to obtain a Structure Permit from District before installing any facilities that will connect to District’s facilities.
2. Sprinkler water is currently available through an existing sump that is connected to SSJID Lateral “P” and is located on the adjacent property. As a condition to receiving water on the Subject Property, the existing sump facility shall be updated to meet the requirements outlined in the current District’s standards. Improvements include, but are not limited to, installation of a mag meter. Owner shall be required to obtain a structure permit from District prior to construction.

3. Owner acknowledges that Owner will be responsible to make arrangements to service the balance of the Subject Property in the future should any part of Subject Property or the Adjacent Property be sold to another party and this stipulation shall be disclosed to any perspective buyer. Disclosure shall indicate that the District shall have no obligation to pay for any improvements for current or future changes in service to any part of the Subject Property. Additionally, should any part of the Subject Property be sold, a recorded agreement shall be established to the extent necessary to transport water across one parcel to the benefit of another and the agreement should address terms of maintenance, access, duration, metering, and change of parcel ownership. SSJID will not act a moderator of this agreement.
4. Owner intends to deliver SSJID water to the Subject Property through the existing sprinkler sump that serves the Adjacent Property. The District reserves the right to require individual meters to be installed to accurately measure water delivered to the Subject Property and the Adjacent Property at the Owner's expense. The District will notify Owner when the District requires the Owner to install the additional meter(s). The Owner is required to install the meter(s) according to the District's specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to the Owner until the Owner installs the meter to the District's specifications at the Owner's expense within the time frame specified in the notice.
5. If the Subject Property is irrigated by flood, water use will be measured based on a time vs. flow calculation as recorded by the District. The District shall reserve the right to require flow meter/meters, meeting the District Specifications, to be installed at the Owner's expense to accurately measure the delivered water to each parcel comprising the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter/meters. The Owner will be required to install the meter/meters according to the District's specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter/meters.
6. If the Subject Property is irrigated by sprinkler, a meter per District Specifications will be required on the pumping system to keep a running total of water delivered. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to the Subject Property based on the proportional percentage of irrigated acreage, until such time as District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described above.
7. Owner is responsible for all costs related to providing service to the Subject Property, including standard water charges and back fees consistent with District policy.
8. Owner shall not be eligible to receive the 36" water allotment for the 2015 irrigation season due to drought conditions. (This stipulation is consistent with the Board action on May 12, 2015 involving similar amendments to other service abandonment agreements approved at that meeting. However, it should be noted that this parcel could still be

eligible to receive transferred water from other parcels that are currently in the District if it is deemed eligible under the transfer policy and it has met all other conditions specified above).

9. Conditions stated above shall be incorporated into the amended agreement.

A motion was made by Director Kuil and seconded by Director Kamper to approve the agreements to amend Irrigation Service Abandonment agreement subject to the above stated recommendations, and a revision to the standard agreement that further reflects those conditions; however recommendation #8 is excluded and Mr. Chinchiolo will be allowed to take a full allotment of water this year for this parcel but will not be allowed to transfer water out. Approval shall be subject to the terms and conditions specified in the revised policy entitled “Policy for Rescinding Irrigation Service Abandonment.” Motion passed 3 to 1 as follows:

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

The board gave direction to staff to come back with a proposal of how to find all the parcels that are signed off that could possibly be taking water without permission.

**Item #11 – Consider amendment for approval of contract for cleaning solar panels at Robert O. Schulz Solar Farm**

Mr. Don Battles, Utility Systems Director, informed the board that the previous provider for this contract retired and sold his business to one of his employees, Ben Lovato. Mr. Lovato is the person who has actually provided the power washing service since the beginning of the contract. He has agreed to provide the same service at the current charge of \$4,500 per cleaning cycle.

A motion was made by Director Kamper and seconded by Director Kuil to approve the contract with Ben Lovato, Jr., dba Pacific Steam Cleaning for cleaning solar panels at Robert O. Schulz Solar Farm and to authorize the General Manager to sign the contract. Motion passed 4 to 0 as follows:

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

**Item #12 – Consider compensation adjustment for General Counsel after Closed Session**

This item was not discussed and no action was taken.

**Item #13 – COMMUNICATIONS**

Director Holbrook attended the Advisory Water Commission meeting and indicated the water investigation zone 2 renewal fees had passed. The riparian water rights were to be cut by 25%.

The BDCP has a new look and are trying to get the bill passed in a different way and California Governor said he will use \$44 million of the carbon tax dollars to get the tunnel bill passed.

Director Kuil also attended the GBA meeting and the Department of Water Resources attended stating they would like to see a limited number of GSAs formed. Grant monies could be available to create GSAs in the next 1 to 2 years.

Ed Erisman, Water Treatment Plant Operations Manager

- The NPDES Statewide General Permit application was mailed last week. A new policy has been developed using the required Best Management Practices (BMPs).
- The Lockout/Tagout policy has been updated. Staff is in the process of writing procedures for each of the 1000 pieces of equipment that require specific, step by step procedures.
- Also updated our Chemical Spill Response Plan and purchased additional materials for larger spill kits to be placed in our chemical pump rooms.
- The lime silo was repainted by Lancaster Painting and did a good job.
- Power outages are continuing to be a problem at the WTP. We contacted PG&E and they determined the problems were being caused by TID doing work on the Woodward Power Generation Station. TID will isolate their system for any further work so as not to cause interruptions to the WTP.

Don Battles, Utility Systems Director

- TID has been doing work at the Woodward Power House which causes power outages at the WTP, causing problems on the PG&E line. The solution is for TID to pull fuses until the problem gets fixed.

Bere Lindley, Finance & Administration Manager

- He said two employees have been hired; one to fill the new position in the accounting department and the other to replace Luz Juarez when she retires on June 30.

Troylene Vallow, Communications Coordinator

- The Not Forgotten, Memorial Day celebration was well attended. She spoke with many people in regards to the District's water conservation incentives.
- Manteca Chamber of Commerce is holding its installation of members on Friday, June 26. There will be an awards dinner banquet at the Manteca Transit Center.
- Currently working on a District wide newsletter to 40,000 residents and will speak to water conservation issues, water status, and retail electric.
- Another newsletter will go out to growers informing them that the water allotment transfer deadline of June 15 has been deleted.

Joe Catanzarite, Operations/Water Superintendent

- Flow from Woodward Reservoir is 310 CFS and slowly declining.
- San Joaquin County Conservation Program has provided three employees to clean the grates in the canal.
- Task Force is doing a great job.

Sam Bologna, Engineering Department Manager

- 2014 On-Farm Conservation Program: \$195,268 spent of \$229,268 committed funds.
- Met with representatives from Union Pacific Railroad to discuss the status of their project. Due to budgetary constrictions, they wish to defer many of the required improvements until later. They have asked the County for an extension of time. They want to memorialize deal points in an agreement that would bind them to perform work and would provide permissions by District to proceed when they are ready.
- Stantec/Davids Engineering is working on the preferred alternatives with a more refined economic analysis for the District-wide pressurized system and should have that task completed in approximately one month.
- Attended GBA meeting with Kuil. Brandon Nakagawa with GBA gave a presentation at the meeting. He acknowledged SSJID as a major contributor to the basin while others in the basin are contributing to the overdraft.
- He continues to receive interest in the Division 9 project with several requests for tours. The Almond Board wants to bring their media people out to the site and asked if the District could host another tour. Received another requests from a new organization who is working on a television series. They will focus on drought in California and more specifically how people might be using science and technology to deal with the fact that water is becoming an increasingly scarce commodity.
- Continuing to meet with developers regarding annexation of the Zone 39 area.
- Shields, Catanzarite, and Bologna met with grower regarding encroachments on the MSC and will follow up with a written agreement that provides a deadline for the work to be completed.

Jeff Shields, General Manager

- He will attend a SJ Farm Bureau meeting tonight.
- He spoke with AECA who represents AG customers and monitor State Legislation on energy and water issues.
- On April 30, Senator John Barrasso, a republican from Wyoming, introduced SB 1140, the Federal Water Quality Protection Act. This bill would restrict EPA and US Army Corps of Engineers from exerting jurisdiction over isolated ponds, ditches, agricultural water, storm water, groundwater, floodwater, municipal water supply system, wastewater management systems, and streams without enough flow to carry pollutants to navigable waters. The House passed legislation on May 12 that would direct EPA and Army Corps to withdraw and re-purpose the WOTUS rule.
- APPA will meet in Minneapolis on June 8 – 11.

The following structure permits were approved:

- Tsannrong Hsu, APN 245-160-08, Lateral “R”

It was announced that item 14a, b, c & e would be discussed in Closed Session.

**Item #14 – Closed Session**

- a. Conference with Legal Counsel – Anticipated Litigation  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9  
- 2 cases
  
- b. Public Employment  
Government Code Section 54957  
Title: General Manager
  
- c. Conference with Legal Counsel – Anticipated Litigation  
Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Section 54956.9  
- 1 case
  
- e. Public Employment Performance Evaluation  
Government Code Section 54957  
Title: General Counsel

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

**Item #15 – 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 12:31 p.m. Motion passed 4 to 0 as follows:

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

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