

Manteca, California
May 27, 2014

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:01 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 - None

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

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$505,011.57; A/P Wires in the amount of \$280,284.17; payroll dated May 2 in the amount of \$187,149.57.
- B. Approval of the regular Board Meeting Minutes of May 13, 2014.
- C. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Daryll & Diane Quaresma and Richard & Sarah Quaresma, APN 245-120-16 and 245-120-17.

A motion was made by Director Kuil and seconded by Director Holbrook to accept the Consent Calendar items 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 use of pressurized system for fire suppression

Mr. Chris Van Groningen addressed the board to discuss the possibility of using the pressurized system in Division 9 for fire suppression on his property located at 9851 Hutchinson Road. He wants to increase his walnut hulling and walnut packing operations and he must have the ability to supply the Ripon Fire District with 1500 gallons of water per minute in the event of a fire. The property currently does not have a well large enough to meet this requirement. Mr. Dennis Bitters with Ripon Fire District said it would help if the fire department could have access to the pressurized water.

Director Holmes said the biggest issue is the irrigation system is down all winter and the District does not keep much water in the pond. Director Holbrook stated the District is to provide water to the farmers and not to provide water for emergency use. He said it is one thing to provide water to the fire district but not to an individual. Mr. Shields indicated there is no statute in the water code for the district to provide water for emergency use. It was the consensus of the board to deny Mr. Van Groningen's request. No action taken.

Item #2 – Consider 2014 Water Supply Forecast, Irrigation Schedule, and Woodward Reservoir

Mr. Shields distributed updated information on the projected water budget for 2014. A shortage of approximately 7,000 acre-feet is currently projected. He said New Melones has dropped to 810,000 acre feet and if the District does not reduce the water level at Woodward after July 7, the water supply is projected to be approximately 14,000 acre feet short of demand for this year. He expects the state of California to issue in the next few days a post 1914 water curtailment.

Mr. Bryan Whitemyer, City Manager of Oakdale, thanked the board for keeping Woodward Reservoir open through July 7. He said the recreational activity helps the economy in the surrounding cities and urged the board to keep the water levels up to allow for continued recreational activity through the summer. Director Kamper suggested that Oakdale Irrigation District could also divert water into the reservoir if it wants to promote recreation this summer.

Ms. Mary Mayhew with Stanislaus County Parks & Recreation department asked the board to take action to keep the water levels up at Woodward beyond July 7 to allow for recreational activities as there is an economic benefit to a large region. She said that Stanislaus County pays an additional half million dollars to keep the sheriff's department patrolling the reservoir and if bodily contact at Woodward is not allowed throughout the summer, those funds would not be available to pay them. Director Holbrook said it is the responsibility of the sheriff's department to protect Woodward reservoir and to keep people out when no bodily contact is allowed. Mr. Shields stated the District could also keep people out of the reservoir. Director Holmes would like to see the water level kept up at the reservoir.

A motion was made by Director Kamper and seconded by Director Holbrook to implement a 10-20 day irrigation schedule at staff's discretion. Motion passed 5 to 0 as follows:

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

Item #3 – Consider approval of Workers Compensation insurance renewal

Mr. Thornburg distributed information regarding the workers compensation renewal rates and indicated the 10% increase would be effective July 1, 2014.

Mr. Matt Frediani with Cutler-Segerstrom reviewed the District's claims experience and the proposed rate increases with the Board. The new rate will be \$279,758, plus a 5% broker's fee.

A motion was made by Director Kuil and seconded by Director Holmes to accept the workers compensation renewal rates. Motion passed 5 to 0 as follows:

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

Item 4 – Consider alternative requirements for Tier 2 customers

Mr. Bologna presented a proposal to allow irrigation customers to move from Tier 2 to Tier 1, or to avoid Tier 2 altogether when they return to the irrigation roll. Director Holbrook does not agree with allowing customers who have been signed off for 10 years to sign back on with the District without paying any penalties and to be reinstated with Tier 1 privileges. Director Kuil believes a customer who has been signed off and has paid their back water charges should be reinstated as a Tier 1 customer.

A motion was made by Director Kuil and seconded by Director Holmes instructing staff to draft a new policy as follows for the board to adopt:

- a) Immediately eliminate the Tier 2 status except for annexations that occurred subject to the Tier 2 requirement.
- b) Customers who want to sign back on with the District to receive water must continue to pay one year of back water charges plus the current year's charges.
- c) Annexations will continue to have Tier 2 status.

Motion passed 3 to 2 as follows:

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

A motion was made by Director Kamper and seconded by Director Holbrook to include language in the Irrigation Service Abandonment agreements which would require the customer's facilities to be physically disconnected from the District pipelines as a condition of approval. Motion passed 4 to 1 as follows:

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

Item #6 – Consider acceptance of SSJID Annual Financial Report for 2013

Mr. Brian Nash of the Richardson & Company firm addressed the board and said no difficulties were encountered in the audit. There were no disagreements with management and no new major issues were discussed with management prior to retention. He stated there were no new accounting standards that were implemented by the District. Mr. Nash indicated that GASB 68

on pensions was issued and will be implemented in 2015. It requires the pension liability in CalPERS to be reported on the balance sheet. He said the District's accounting is high quality.

A motion was made by Director Holbrook and seconded by Director Holmes to accept the SSJID Annual Financial Report for 2013. Motion passed 5 to 0 as follows:

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

Item # 5 – Consider adoption of measures to discourage misuse of irrigation service and misappropriation of District water

At the May 13, 2014 Board Meeting, the Board discussed adoption of a policy that deals with the unauthorized use of water and asked staff to present a proposed policy to the Board at the May 27 meeting. Staff presented several scenarios and Mr. Shields indicated that he needs direction from the Board for the ditchtenders and how they can help to prevent water theft.

Mr. Emrick stated that he can contact the District Attorney's office to learn about their willingness to enforce the Penal Code provisions pertaining to utility theft. He also mentioned he would inquire as to the possibility of the District recuperating the investigation costs of water theft. Director Kuil believes the first offense would result in a written warning to customer and the loss of one irrigation turn. The second offense would result in a customer losing their water service for the remainder of the irrigation season and the District could recover any charges incurred to identify the water theft.

Staff was directed to bring back a policy for the Board's review and approval.

Item 7 – April 2014 Financial Statements

Mr. Lindley stated he has been discussing a special distribution from Tri-Dam Project with Kathy Cook at Oakdale Irrigation District.

Director Holmes said he would like to get an update on the Division 9 operating expenses and power costs. Mr. Lindley said that a report would be forthcoming after the end of the irrigation season.

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

Item 8 – April 2014 Investment Reports

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

Item #9 – Authorize General Manager to sign agreement with First Solar, Inc., Conergy Inc., and Conergy Projects, Inc. for replacement at no cost to the District of 1,500 thin film photovoltaic modules at District's Robert O. Schulz solar plant

A motion was made by Director Kamper and seconded by Director Holbrook to authorize the General Manager to sign the agreement for replacement of the modules at the solar plant.

Motion passed 5 to 0 as follows:

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

Item #11 – Communications

Ed Erisman, Water Treatment Plant

- Staff conducted the max flow test over the weekend and are reviewing the data but the initial results look good. A flow of 40 MGD or approximately 27,960 gallons per minute was maintained for a total of 5 hours and 25 minutes. The limiting factor in the test is the cities’ ability to take the max flow. An additional test is planned for the summer when the cities’ demand is higher.
- JDH corrosion specialists conducted the second inspection of the damaged section of cathodic protection. Staff is waiting for the official report but initial testing indicated that two new test stations on either side of the footbridge and the repair of a broken CAD weld should solve the problem. The good news is that staff should be able to complete the repairs and keep the costs down.

Director Holbrook attended the Advisory Water Commission meeting on May 21 and noted that SSJID needs to be measuring their wells every third week of the month and transmit that information to Brandon Nakagawa. The commission recommended to the Board of Supervisors to oppose SB 1199 Wild and Scenic Rivers: Mokelumne Rivers. They also recommend the Board of Supervisors adopt the Statement and recommendations regarding groundwater management reform.

He addressed a report directed to Los Angeles City Council in regards to the BDCP that states the plan is affordable to almost all city households. The BDCP and proposed water bond programs would have minimal impacts on Los Angeles households and businesses. Their policies could include: maximizing funding of LA programs from the proposed state water bond; maximizing SWP and CVP water contractor participation in the BDCP conveyance facility costs; minimizing the size of the proposed water bond programs not directly benefiting the City, such as for additional water storage that does not support SWP operations; and maximizing federal grants supporting the co-equal BDCP ecosystem improvements.

He also attended the Safe Train Ride sponsored by Union Pacific which presented monetary awards to organizations whose actions benefit their communities. They gave a safety lecture regarding train and track safety. Traffic stings were performed during the train ride and 17 violators were ticketed.

On May 17, he attended the Pinecrest Lake recreation area improved facilities celebration. The wood used for the amphitheater came from the Rim fire. Old redwood benches were recycled and used for benches scattered throughout the area. He also attended the new Beardsley Recreation area facilities celebration and it was a beautiful site.

Director Roos attended the LAFCO meeting on May 16 and said there was good support among the audience for the District.

Sam Bologna, Engineering Department Manager

- He is providing information to the GBA in regards to the grant applications.
- Bids have been sent out for construction of the Division 9 well.
- Working with the cities on the storm drain agreements.

Jeff Shields, General Manager

- SWRCB may be issuing a water curtailment.
- Oakdale Irrigation District has authorized a study to build a water treatment plant.

It was announced that items 12 a, c & d would be discussed in closed session.

Item #12 – Closed Session

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

- c. Public Employment Performance Evaluation
Government Code Section 54957
General Manager

- d. Conference with Real Property Negotiators, Pursuant to Section 54956.8
Property: APN 064-029-062 and 064-029-063
Agency Negotiators: Jeff Shields, General Manager
Negotiating Parties: Tri-Dam Project and Merle Holman
Under Negotiation: Price and Terms of Payment

Upon their return from closed session, it was announced that in Closed Session, the Board gave direction that the Board President write a letter to LAFCO commissioners stating the Board's major concerns with the Executive Director's attempt to require another study from PA Consulting, because of the firm's ties with PG&E.

Item #10 - Compensation Adjustment for General Manager

This item was deferred until the next meeting.

ITEM #13 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kuil and seconded by Director Holbrook to adjourn the meeting at 12:45 p.m. Motion passed as follows:

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

ATTEST: _____
 Betty Garcia, Executive Secretary