

Manteca, California
May 28, 2013

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:02 a.m. Vice-President Holmes called the meeting to order and 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.

Director Holmes asked for public comment and 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 \$538,549.55 and A/P Wires in the amount of \$310,685.17, for a total of \$849,234.72.
- B. Approval of Board Meeting Minutes of May 14, 2013.

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

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

Motion passed unanimously.

ACTION CALENDAR

Item #1 – Approve the donation of a District vehicle to the Manteca Fire Department for use by SAFE volunteers and approve Resolution #13-09-V

Mr. Shields informed the Board that Seniors Assisting Fire Efforts (SAFE) is a volunteer program that assists the Manteca Fire Department in a variety of duties including inspection of Fireworks booths, fire extinguishers at local businesses, and weed abatement inspections. He said a couple of the Board members had been approached by the Fire Department asking if the District could donate a vehicle to their program. Mr. Bob Scharmann said the volunteers assist with many of the inspection duties in order to free the firemen to fight fires and to assist the community as needed.

A motion was made by Director Holbrook and seconded by Director Kuil to donate a 2005 Chevrolet Tahoe to the Manteca Fire Department for use in their SAFE volunteer program and to approve the following resolution:

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION 13-09-V
AUTHORIZING THE DISPOSITION OF PROPERTY
NO LONGER NECESSARY FOR DISTRICT PURPOSES**

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

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District, finds the following vehicle, 2005 Chevrolet Tahoe, as listed below:

<u>DISTRICT I.D. NO.</u>	<u>SERIAL NUMBER</u>
300-05	1GNEC13T55R233987

Is no longer necessary for District purposes and that it is in the best interest of the District to dispose of said property; and

WHEREAS, the Manteca Fire Department's Seniors Assisting Fire Efforts (SAFE) provides a valuable service to the community; and

WHEREAS, the District's interests in promoting public safety will be recognized by the donation of the vehicle.

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Finance and Administration Department Manager of the District is authorized and directed to take all necessary steps and execute all documents necessary to transfer title to said property to the City of Manteca for use in its SAFE program provided that if the City should sell the vehicle within five years from the time it was transferred to the City by the District, the City shall pay the net proceeds of the sale to the District, and provided further, that the City will display a sticker on the vehicle as long as it is used by the City, identifying the vehicle as having been donated by the District.

PASSED AND ADOPTED this 28th of May 2013 by the following roll call vote:

Ayes:	HOLBROOK HOLMES KUIL
Noes:	KAMPER
Absent:	ROOS

Item #2 – Presentation by Matthew Swindle on Drop 5 Hydroelectric Generation Project

Mr. Swindle reviewed a power point presentation with the Board regarding the possible installation of a hydroelectric generation project at Drop 5, which is a check structure located in the SSJID main canal system. The purpose would be to harness the potential energy in the irrigation flows and elevation drop of the existing check structure through a hydroelectric turbine/generation system.

A motion was made by Director Kamper and seconded by Director Holbrook to authorize the General Manager to submit a letter of support for NLine’s grant application to the Department of Energy and to receive more details about the proposed project before considering at a later meeting whether to enter into an agreement with NLine in the amount of \$150,710 for the Drop 5 Hydroelectric Generation Project with Option #1 – Conduct 50% design tasks, including Geotechnical, CEQA, FERC, Interconnection, Constructability review, grants and subsidies. Motion passed unanimously.

Item #3 – Consider approval of amendment to Service Abandonment agreement for Walter Panganiban, APN 228-150-29

Mr. Bologna stated this property may need a flow meter installed at a later date and recommends approval is the specific conditions outlined below are met:

- Owner shall acknowledge that it will be his responsibility to obtain written permission (agreement) from neighbors regarding operations and maintenance of existing private pipeline.
- Owner agrees to make all modifications necessary to be able to utilize the existing pipeline at his own expense.
- Owner shall acknowledge that a new Structure Permit shall be obtained for any proposed change in water delivery and that it may not be feasible to provide sprinkler service to this property due to operational constraints.
- Owner shall acknowledge that water measurement for this property will be based on calculated information recorded by Ditch Tender and disputes with regard to water delivery accuracy may result in the owner installing a flow meter at his expense.
- All conditions stated above will need to be satisfied prior to processing the amended agreement.

A motion was made by Director Kuil and seconded by Director Kamper to approve the amendment to Irrigation Service Abandonment agreement for Walter Panganiban, APN 228-150-29 as outlined above. Motion passed unanimously.

Item #4 – Consider approval of Tracy/Lathrop Water Agreement

Mr. Shields stated the District has separate Water Supply Development agreements with the cities of Manteca, Escalon, Lathrop, and Tracy and each agreement sets that city’s share of treated water from the Water Treatment Plant. The share is referred to as project allotment. He said Lathrop has agreed to permanently sell 1,120 acre-feet of its project allotment to the City of Tracy for the sum of \$5,000,000. The proposed agreement would also need to be approved by

Manteca and Escalon because the language would modify the Water Supply Development Agreement the District has with each city. The City of Lathrop's share of peak flow would be reduced by 2mgd and Tracy's share of peak flow would be increased by that amount.

A motion was made by Director Holbrook and seconded by Director Kamper to authorize the General Manager to sign the proposed agreement with such non-substantive changes as may be necessary to obtain approval of all of the cities. Motion passed unanimously.

Item #5 – Authorize General Manager to execute agreement for District to pay costs for independent study of plan to provide retail electric service

Mr. Emrick advised the Board that San Joaquin LAFCo has received a proposal from PA Consulting to perform a third feasibility report. The estimated cost for the new study is \$350,000, slightly more than the combined estimates for the first two studies. Staff is not recommending that the Board authorize funding the new study based on this proposal. He stated that we need to concentrate on doing what needs to be done in order to get the Municipal Service Review finished, which is five years in the making and still incomplete.

This item was adjourned until after Closed Session.

Item #6 – Presentation of April Financial Reports

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

Item #7 – Presentation of April Investment Reports

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

Item #8 – Authorize General Manager to execute amendment to Mutual Assistance Agreement with Lathrop Irrigation District

Mr. Shields stated the District has been providing utility advisory services to the Lathrop Irrigation District pursuant to a Mutual Assistance Agreement that was signed in March 2007. He said the agreement lists the initial scope of services and sets a \$40,000 cost ceiling. Since that time, the District's General Manager, Utility Systems Director, and Finance/Administrative Manager have provided occasional services to LID, however, the number of hours has increased as LID is implementing a start-up electric utility to serve the River Islands development. He said the two agencies have discussed the need to reach agreement on an amount to compensate SSJID for its past services and the District will provide that amount.

A motion was made by Director Holbrook and seconded by Director Kuil to authorize staff to amend the Lathrop Irrigation District Mutual Services Agreement as proposed. Motion passed unanimously.

Item #9 – Discussion and action concerning Division 9 Project, including the following:

- a) **Evaluate construction of the West Basin** – Mr. Bologna indicated that the existing east pond appears to be adequate to service the needs of the existing service area of Division 9 and that development of the west basin would not be necessary, unless there was a desire to expand the boundaries of the Division 9 service area. Additionally, it would be necessary to perform some additional design alterations if that expansion occurred. After discussion it was the consensus of the Board that there is no need to create a new basin but that it would be a good idea to market the excess dirt that is currently stored at the site.
- b) **Install well and pump at East Basin** – Mr. Bologna indicated that the well was removed from the original bid package to reduce construction costs and that it would only be needed for backup purposes and if the desire is to have it installed, it would be necessary to do some additional well exploration testing and specification modifications to insure that it would be developed to the desired output. Mr. Shields likes the idea of having a well at the East Basin. Director Kuil does not want a well there. Director Holmes suggested we move forward with deciding where a well would best be built and that staff bring this item back to the Board for consideration.
- c) **Sound proof pumps at East pump station** – Mr. Bologna indicated that we have received a request from Matt Visser to consider measures to reduce the noise that he hears from the east basin pump station. Two options were discussed. One option was for landscaping and the other was for the installation of sound absorption walls at an estimated cost of \$85,000. Director Holmes is not comfortable with adding landscape to the site and suggests that staff consider alternative design measures and bring this item back to the Board for consideration.
- d) **Access gate at Brocchini's Property** – Mr. Bologna submitted two quotes for installing an automated access gate at Brocchini's existing gate off of Mohler Road and indicated that this expenditure was included in this year's budget in the amount of \$10,000. A motion was made by Director Holbrook and seconded by Director Kamper to approve the purchase and installation of an automated access gate at this property not to exceed \$10,000, subject to Mr. Brocchini signing an agreement to supply power for the gate. Motion passed unanimously.
- e) **Turnout installations** – Mr. Bologna indicated that Mr. Huang has requested to have a new turnout installed on his property located on Olive Avenue. The cost of the new turnout is estimated to be approximately \$30,000 based upon estimated material costs and a proposal for installation that was obtained from the same contractor that installed the Van Till turnout. After a brief discussion, it was the consensus of the Board that requests for new turnouts be brought to the Board individually for consideration and that the cost of those turnouts be paid for by the grower and the District's contribution be limited to staff time to administer the installation and programming of the new turnout that is equivalent to the contribution costs of a typical sump installation. Additionally, the grower will need to sign an agreement and pay all costs up front prior to installation. The

grower may also be eligible for conservation funding from the District and the NRCS (National Resources Conservation Services) assistance program.

- f) **Spare parts procurement and enhancements** – Staff explained that a comprehensive list was made of various system components and assets that should be kept in inventory because they are vital to the on-going maintenance and operation of the pressurized system so that system failures could be immediately addressed. There is \$130,000 in the current budget to purchase these items. With the exception of an additional pump motor, it was the consensus of the Board to acquire spare parts that are needed as allotted in the budget.
- g) **Additional moisture sensor installations** – Mr. Bologna indicated that some of the farmers who initially wanted the moisture sensors were not ready to have them installed during project construction but requested to have them installed when they were ready for them. There are a total of nine (9) sets of moisture sensors that need to be installed now, with 6 additional sets to be installed when the growers are ready for them. It was suggested that District staff shadow the installation of the moisture sensors so they will be able to make those future installations.

A motion was made by Director Holbrook and seconded by Director Kamper to approve the installation of nine (9) sets of moisture sensors paid by the District not to exceed the amount of \$28,400. Any farmer who did not originally request the moisture sensors must pay for the cost of those installations. Motion passed 3 to 1 with Director Kuil casting a no vote.

- h) **Release Knife River retention** – Mr. Shaw stated the District is continuing to experience problems with the flow meters and there could be a possibility that replacement of all installed flow meters and cable could be necessary for a reliable operation. At this time, the Board feels the release of funds is premature. It was agreed that no action be taken at this time and that staff meet with Knife River to advise them that no additional funds can be released until we have more assurance on the flow meters.
- j) **Provide direction for proposed operations and maintenance guidelines and rules**
Mr. Bologna explained that staff have been working with Stantec in establishing the guidelines and responsibilities for District staff to assume. He indicated that many of these tasks have already been assigned and staff is actively performing those tasks as envisioned. However, assignments will need to be delegated and additional training may be required to ensure that staff is adequately trained to handle those responsibilities. The following trial operational adjustments for staff to implement are recommended as follows:
 - Maximum number of days that a grower can order water in advance is 15 days.
 - Minimum on time that a grower can order water in advance is reduced from 48 hours to 36 hours.
 - Maximum orders per customer per field in a 15-day time frame shall be increased per turnout from 3 to 7. This would allow more flexibility to drip users.

- Maximum irrigation duration per order is 72 hours which is increased from 48 hours.
- Increase pump output from the West Basin from 15,000 GPM to 18,000 GP.

The consensus of the Board was to support the recommendation as outlined above.

- i) **Amended services contract with Stantec Consulting** – Mr. Bologna stated that most of the Division 9 pressure system tasks are being handled by a team of SSJID employees. However, now that the warranty issues are under control, staff finds that there are still a number of potential services that are recommended to help enhance operations and ensure that staff is adequately equipped to operate the system efficiently. Stantec was asked to prepare an estimate for various tasks and services that they could provide to achieve those goals which include the following:

- Basic on-call services
- Training
- Web Optimizations
- SCADA Optimizations
- Punch List and Warranty resolution
- Planning
- Engineering
- Asset Management Assistance
- Pressure System Data Analysis
- Staffing plan, emergency procedures, task lists, maintenance lists, cheat sheets
- Issue resolution
- Miscellaneous

Stantec proposed to provide these continued services and increase their services contract in the amount of \$280,897. The Board suggested the services contract be reviewed and/or revised by staff and Stantec and be brought back to the Board for consideration at the next regular meeting.

Item #11 - Communications

Director Holbrook stated that SAIC has extended invitations to Board members and staff who are attending the APPA Conference in Nashville, Tennessee.

Director Kamper stated that he and Director Roos went to the Beardsley campgrounds and it was completed as of the Memorial Day weekend.

President Holmes asked for Managers Reports.

Mr. Shields also reported for Bill Hubkey the following information.

- The WTP has received two trains of the V-4 modules (1,000) to date. Delivery has been erratic and caused some scheduling issues. Final deliver is expected today. Staff will not be able to complete the flow tests until normal flows are established when the main transmission line is back in service.

- The transmission line is scheduled to shut down Thursday, May 30 at 7:00 a.m. Plant staff has met with all customer cities to ensure everyone understands their duties and what is expected of them. Caltrans has allowed the contractor to change the schedule to allow the process to speed up to 2 to 3 days. As of now, the expected startup should be June 7 or 8.

Bere Lindley, Finance Manager

- He reported last month's volumetric bills were issued and the data had to be transferred electronically from the Division 9 database into the True-Bill system. He said a True-Bill programmer wrote software to move the data from Division 9 into True-Bill. A problem was encountered with a difference in data between the two systems which slowed down the billing process. He said the April bills were sent out to the customers today. He said the solution is not to have two data bases and the information needs to be synced into one data base. Davids Engineering is working on software to compare meter readings with the data manually entered into True-Point. He said this is the District's method to get into compliance with the law requiring volumetric billing to be based on meter readings. A letter is being sent to the property owners stating they can choose to have volumetric bills sent to a tenant by executing an owner-tenant agreement which is a form provided by the District office.

Troylene Saylor, Communications

- Give Every Child a Chance Rodeo – June 1 & 2, Del'Osso Farms.

Sam Bologna, Engineering

- Conservation program has received 113 applications. \$847,000 committed.
- He reported the District did not receive the Water Smart Grant that we applied for.
- Money is continuing to come into the District from NRCS.
- Reported that Mohler Brothers need an Encroachment Permit for the well they installed.

Jeff Shields, General Manager

- Steve Emrick and Karna Harrigfeld who represents SEWD met with USFWS representatives to discuss several topics including the USFWS's proposed expansion of the San Joaquin River National Wildlife Refuge. Much of the land that was originally shown to be inside SSJID's service area has been taken out under the most recently available drawings. However there remains about 60 acres inside SSJID's boundary (out of an initial 720 acres) that would be impacted.
- SJRSP is moving forward with a process intended to produce a "term sheet" for settling the Stanislaus River issues by November. All eyes will be on the Stanislaus River as the Scientific Evaluation Process (SEP) with scientific teams meeting on specific area of responsibility (i.e. groundwater model, water transfers, water conservation, operations modeling, etc.) Economic analysis will be conducted along with specific habitat and conservation projects.
- Article regarding recent court ruling clarifying that the SWRCB does not have regulatory authority over pre-1914 water rights.

General Counsel announced the Board would be discussing items 12 a under Closed Session.

ITEM #12 – CLOSED SESSION

- 12. a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section
54956.9
- 2 cases

Upon returning from closed session, the following action was taken on item #5.

A motion was made by Director Holbrook and seconded by Director Kamper to authorize the General Manager to expend an amount not to exceed \$150,000 to complete the MSR (Municipal Service Review) as soon as possible. Motion passed unanimously.

ITEM #13 - ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Holbrook and seconded by Director Kamper to adjourn the meeting at 2:30 p.m. Motion passed unanimously.

ATTEST: _____
Betty Garcia, Executive Secretary