

**MINUTES FOR THE JUNE 9, 2020
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District met in person in regular session in the District Boardroom at 9:00 a.m., with public access provided via the online Zoom Meeting platform. Director Kamper called the meeting to order and led the flag salute. Upon roll-call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER WESTSTEYN
ABSENT: ROOS

Also present were General Manager, Peter M. Rietkerk; General Counsel, Mia Brown; Engineering Department Manager, Forrest Killingsworth; and Clerk of the Board, Danielle Barney.

Public Comment

Public comment, emailed from Mr. Martin Harris for Terra Land Group, LLC, was distributed to the Board. The public comment topic stated: “June 9, 2020 South San Joaquin Irrigations District (SSJID) Board of Directors Meeting Agenda Item: Public Comments.”

CONSENT CALENDAR

- A. Approval of Checks in the amount of \$380,012.70; Accounts Payable Wires in the amount of \$358,663.88; and Payroll dated June 5, 2020 in the amount of \$256,994.94
- B. Approval of the Regular Board Meeting Minutes of May 26, 2020

MOTION: A motion was made by Director Holbrook and seconded by Director Weststeyn to approve the Consent Calendar as submitted.

The motion passed 4 to 0 by the following vote:

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

COMMUNICATIONS

In his capacity as Chairman of the Greater San Joaquin County Regional Water Coordinating Committee (GSJCRWCC), Director Holbrook videotaped a brief message soliciting volunteers to sit on a disadvantaged communities (DAC) task force. Mr. Brandon Nakagawa, SSJID Water Resources Coordinator, assisted Director Holbrook with the videoing of his message.

Director Weststeyn commended SSJID crews on the recent Magnacide application and commented on the resulting clean irrigation water.

Director Holmes announced that he will be attending the Eastern San Joaquin Groundwater Authority (ESJGWA) Steering Committee meeting, on June 10, via the online Webex meeting platform. Meeting

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discussion will include adoption of the ESJGWA budget and cost allocations to the ESJGWA Groundwater Sustainability Agencies (GSAs).

Director Kamper commented on the District's recent septic system replacement work and subsequent need for landscaping. He suggested the consideration of a xeriscape, which would require little or no irrigation or other maintenance.

In adherence to the District's new Board meeting protocols due to COVID-19, the Managers' Reports were provided in written form to the Board, on June 8, as submitted below:

Ed Erisman, Water Treatment Plant (WTP) Manager:

- Staff installed an aeration system on the drinking water storage tank at the L1 Booster site in Lathrop, and will be monitoring and evaluating the effectiveness of the system in reducing disinfection by-products (DBP's) which are formed when organic matter in raw water combines with chlorine. Most DBP's are volatile compounds and aeration of the water helps volatilize them where they can be removed through the tank vent. If effective, similar systems will be installed on remaining storage tanks. Though the District's current levels of DBP's are low and usually at half of the Maximum Contaminant Level (MCL), DBP's continue to be a concern for all water systems. Staff will continue to stay ahead of any problems and changing regulatory issues.
- WTP Operators are testing the possibility of switching from sodium hypochlorite to sodium permanganate for the pre-treatment oxidation process. Sodium permanganate is effective at disinfecting the raw water much like sodium hypochlorite, however, it does not have the same DBP formation potential and could help with reducing membrane fouling. Currently, tests are being conducted in the lab and results look promising. Once staff is comfortable with the data, have reviewed dosages, and analyzed estimated costs, a decision will be made whether to contact the California Department of Water Resources regarding full-scale testing.
- An order has been placed with Suez for the next train of replacement modules. Train #3 was last replaced in 2011 and currently has the worst permeability and most number of repairs. Delivery has been scheduled for fall 2020.

Bere Lindley, Assistant General Manager:

Human Resources (HR)

- Mr. Don Thornburg, SSJID Human Resources Analyst, coordinated and assigned Manager/Supervisor Sexual Harassment Training via Target Solutions provided by Special District Risk Management Authority. Ms. Mia Brown, SSJID General Counsel, and Mr. Thornburg have opted to provide training via this method, as opposed to the Zoom platform.
- Mr. Thornburg is collecting personal contact information of union employees for the union as required by AB119, which gives the union the exclusive right to communicate with employees about optional union membership.
- Mr. Thornburg reported that the Society of Human Resource Management Conference, and the CalPERS Conference in Anaheim have been canceled; and US Department of Transportation physical renewals are taking longer due to state Department of Motor Vehicles offices being closed.
- Mr. Thornburg coordinated the Accounting Technician interviews; continues to work on the SSJID Employee Policies Manual; and has posted the open Maintenance Supervisor position during the week of June 8.

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Accounting

- Interviews of the top three (3) candidates for the Accounting Technician position were conducted on June 10.
- TimeClock Plus will “go-live” for a few departments on the pay period ending June 13. Training will be being scheduled for remaining departments throughout June.
- Staff has been working on the CalPERS audit on Temporary Upgrade Pay, has submitted a file containing all the known errors for the period January 1, 2017 – December 31, 2019, and is currently working with PERS to make the necessary corrections by the July 1 deadline.
- The annual “employee recognition event” committee has started working on the 2021 event. A “Save the Date” notification was sent announcing the evening of January 15, 2021.
- Ms. Julie Minton, SSJID Customer Service Representative, is preparing the disposal authorization forms in accordance to the District’s record retention policy and will be scheduling Shred-It to properly destroy documents/records that have exceeded the retention period.

Communications / Public Relations

- Ms. Troylene Sayler, SSJID Public Relations Director, finalized the Spring Irrigation Newsletter for print, which was inserted into the June bills the week ending June 5.
- Ms. Sayler generated the "Board Meeting News" for employees which contained items of general interest from the May 26 Board meeting; sought bids for a possible new promotional item that allows people to open doors and push buttons without physical contact (COVID safety); began researching methods of collecting metrics for websites and social media that can used to evaluate progress, develop benchmarks, and create monthly reports for management and board; completed required reading as assigned regarding developments in public power and SSJID’s retail electric plan, among other subjects; and planned, reviewed, edited and scheduled social media posts for June 2020.
- Ms. Sayler and Mr. Lindley have finalized reviewing/editing and making comments on the SSJID website. One final review is needed before the site goes live.
- Ms. Sayler and Mr. Lindley participated in a virtual meeting, with Marcia Herrmann Design, to update the new public information campaign "Powered by Purpose," and finalize edits to the website, video, and social media. Discussion included a community-wide postcard mailing announcing the Powered by Purpose website.
- Ms. Sayler responded to calls from the public regarding Woodward Reservoir opening for Stanislaus County residents only. This issue was also posted on the District’s Facebook page referencing Stanislaus County’s website for more information.
- Ms. Sayler will be working on development of a PowerPoint template with our logo for SSJID presentations; researching development of a possible graphic standards manual for use by employees, as well as for requests outside our organization, to ensure proper use of the District logo and identify specific instructions for use on promotional materials, banners, letterhead, memos, etc.; will begin working on a comprehensive PR and Marketing strategy for the District; will review the final draft of the website for going live; and will begin planning for social media posts for July 2020.
- Mr. Lindley will set up the Communications Work Plan in Smartsheet so information on progress can be recorded and shared; and continue to monitor said work plan.

I/T

- Mr. Michael O’Leary, SSJID IT Systems Administrator, has resolved the interference issue in the Board Room microphones; begun preliminary work on a new phone system Request for Proposals;

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has setup a stand-up workstation for the Ms. Saylor; has setup e-mail and card access for the new SSJID intern; has procured a new laptop for the General Manager; has researched new hardware for backup internet; and has ordered final parts for locker room time-clock computers, which will be installed the week ending June 12.

- Mr. O’Leary has been working on “beginning of the month” tasks including check backups; door access controls, credit card bills, etc.).

Safety

- Mr. Walt Luihn, SSJID Environmental Compliance and Safety Officer, coordinated the recent Magnacide applications on June 2 and June 3. He has collaborated with Mr. Matt Macedo, SSJID Pest Control Applicator, on the next Magnacide application to the Main Distribution Canal (MDC) which is scheduled for June 22. Mr. Luihn will be out on scheduled vacation during this application and has made arrangements with the Mr. Frank Avila, SSJID Irrigation Operations Manager, to provide a substitute to oversee the process.
- Mr. Luihn has generated the weekly electronic Tailgate Safety Meeting regarding safety information and COVID-19 news/updates. A safety meeting for District crews is scheduled for June 8 at 6:00 a.m., and will be held outside the Shop area.
- Mr. Luihn met with Mr. Nakagawa, on June 4, to discuss the SSJID COVID-19 visitor-screening questionnaire and the plan for visitor access.
- Mr. Luihn is working on an alternate plan for SSJID’s Annual Safety Day (which is scheduled for October 29), as the District may not be able to accommodate 100+ employees in one building due to COVID-19 social distancing guidelines.
- Mr. Luihn continues to work with Blankinship on the 5-year renewal of the District’s restricted materials permit regarding the use of Magnacide H.

CFO Office

- Annual Financial Report (AFR) and Audit – Mr. Lindley and Ms. Sarah Bloom, SSJID Management Accountant, have completed the AFR and audit.
- Division 9 Rate Process – Mr. Lindley and Ms. Bloom continue to refine a schedule for the ratemaking process, and are drafting an invitation for customer advisory group meetings. Ms. Bloom has calculated the balance of the proposed Division 9 capital reserve, and drafted a memo to the Board for amendment of the reserves policy. Mr. Lindley has drafted a proposed amendment of the reserves policy.
- Mid-year Budget Update – Mr. Lindley and Ms. Bloom have consulted with budgeters on accounting issues. Ms. Bloom is assisting budgeters as needed, collecting budget change information, and developing board reports.
- Solar Farm – Ms. Bloom is working on the financial analysis of the solar farm to help determine whether to proceed with repairs, and is working on an analysis of the net metering agreement and a reconciliation of PG&E’s net metering true-up to SSJID’s metering data.
- Investments – Mr. Lindley has been working with Kevin Martin, Investment Advisor – Cantella & Co., Inc., on reinvestment of sales and redemption proceeds.
- Tri-Dam Project – Mr. Lindley and Ms. Bloom participated on an interview panel for the new Chief Financial Officer (CFO) for the Tri-Dam Project. Six (6) candidates were interviewed via online meeting platform on June 2 and June 4.

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- Unfunded Pension Liability – Mr. Lindley and Ms. Bloom are identifying resources, available from PERS, for evaluating options for “additional discretionary payments” and possible use of a Section 115 trust.
- General Financial Planning – Mr. Lindley and Ms. Bloom are collaborating on planning for a public education program regarding SSJID finances, and a financial presentation to the Customer Advisory Group for the Water Master Plan.
- Canyon Tunnel Cooperation Agreement – Mr. Lindley is working with Oakdale Irrigation District’s CFO on details of the Canyon Tunnel Cooperation Agreement.
- General Administrative – Mr. Lindley is working on the organization, and implementation plans for the electronic document filing project. Mr. Lindley and Ms. Bloom participated on an interview panel for the new SSJID Accounting Technician. Three (3) final candidates were interviewed on June 10.

Frank Avila, Irrigation Operations Manager:

Water Department

- Woodward elevation is at 209.12.
- Cross-training of staff, in preparation for potential absentee coverage, will conclude the week ending June 5. In addition, cross-training of Division Manager’s responsibilities will commence this week in preparation for future vacation leave coverage.
- Temporary staff coverage for the MDC Department will conclude, the week ending June 5, as team members are returning from their long-term absences due to 1-Emergency Paid Sick Leave (EPSL), and 1-Family Medical Leave Act (FMLA).
- Staff completed a Magnacide application the week ending June 3. There was concern regarding one lateral flowing too near the drain system, though test results proved negative. This incident provided the opportunity to address staff on the importance of communication, and/or contacting the pest control applicators for confirmation.
- The Division Managers continue to be in optimal health, and the COVID-19 protocol remains a priority in all daily tasks.

Shop Department

- The Shop Department remains busy with gate repairs, fabrication, and equipment maintenance.
- The project to clean and organize the District yard is progressing with signs of improvement already evident. Anticipated completion of the clean-up project is within a couple weeks which will result in a more organized and safe work area.
- Mr. James Ferguson, SSJID Shop Manager, will be on scheduled vacation June 8 and June 9. Mr. Bill Emslie, SSJID Automotive and Equipment Mechanic, will cover during Mr. Ferguson’s absence.

MDC/Telemetry Department

- Staff continues to make headway on getting the Field Remote Telemetry Unit sites networked into the SCADA.
- The Division 9 Variable Frequency Drive was delivered but had to be returned due to the vendor sending the incorrect unit.
- Two (2) night operators who have been on long-term leave will return to their scheduled duties the week of June 8.

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Maintenance

- The Maintenance Department remains busy with distribution system leak repairs.
- The Grading Crew work has reached Drop #1. Grade work will commence on the easements for the B-lines, then continue on the Main Distribution Canal drops.
- Mr. Avila delivered a Request for Entry Consent to landowners, so the District may continue with field work on the Canyon Tunnel.
- Staff is preparing to commence the crushing of rock and concrete at the Ripon Spill.

Forrest Killingsworth, Engineering Department Manager:

Lateral Qk-Qn (Delicato)

- No additional leaks have been discovered over the last two weeks. Staff will continue to coordinate a pipeline replacement plan and corresponding agreement with Delicato in the next month.

District Office Building – Back Office Restroom Failure

- Applegate Construction completed the septic system replacement on May 27. The restrooms in the back office are up and operational. The District’s landscape maintenance company will be replacing the damaged landscaping soon.

Canyon Tunnel

- On June 8, survey crews began their work to identify and stake out the location of the Canyon Tunnel alignment. District crews will assist with installing more rigid T-posts in place of the wooden laths used by the surveyors.
- The two landowners associated with the project (Jim Mangante and Bob Brunner) have been contacted and updated regarding the status of the Canyon Tunnel. Each landowner was provided with a written letter and a description of all field work planned for the 60% design. Both landowners verbally provided permission to continue accessing their property to perform work.
- Formal letter agreements have been provided to the landowners to obtain written permission.
- Mr. Mangante reiterated his desire to maintain water service from the District, as he has historically. It is clear that he would like to see some concepts before advancing the project beyond the 60% design. The design team had previously included that task as a part of the 60% design effort, to satisfy his concern.
- The updated project schedule suggests that core hole drilling will occur July through September.

Joint Supply Canal Maintenance

- Director Holbrook and Mr. Killingsworth attended a webinar hosted by GeoStabilization International (GSI) titled, “Common Geohazard Risks Facing California Water Agencies.”
- GSI specializes in slope stabilization, rockfall mitigation, and ground improvement. Most of the webinar focused on their abilities to perform work similar to the rockfall maintenance work conducted on the Joint Supply Canal (JSC) last year.
- The webinar was interesting and confirmed that the approach taken by the District to enhance stabilization of the slope above the JSC is consistent with others around the world.

Water Master Plan

- Jacobs staff and District staff continue to make good progress on defining alternatives and developing high level cost estimates for each alternative. Work to identify and associate level of service (i.e. water availability to customers) relative to each alternative is underway.

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- The project team has tentatively set a follow-up Grower Committee meeting date for late July, understanding that CDC guidelines related to COVID-19 may have an impact on our ability to gather and meet in person.

Brandon Nakagawa, Water Resources Coordinator:

Sustainable Groundwater Management Act (SGMA) Update

- The ESJGWA Steering Committee is scheduled to meet at 8:30 a.m. on June 10, via WebEx. ESJGWA (County) staff have been looking into two grant opportunities: the Watershed Coordinator for SGMA through the State Department of Conservation, and a WaterSmart Grant through the Bureau of Reclamation.
- The ESJGWA Board is scheduled to meet at 10:30 a.m. following the ESJGWA Steering Committee Meeting. The ESJGWA is expected to adopt the 2020-2021 Budget totaling \$1,021,000. Projected revenues to cover the ESJGWA's costs include \$325k in State grant funds, \$225k from San Joaquin County Zone No. 2, a carryover from GSA contributions of \$110k, \$300k in new funds from GSAs, and approximately \$63k in-kind from GSAs. The SSJGSA share is \$16,000 and will be invoiced by County staff, if adopted.
- The SSJGSA Board meeting, scheduled for June 17, has been postponed to July 15.

Greater San Joaquin County Regional Water Coordinating Committee (GSJCRWCC)

- The GSJCRWCC was formed through a Memorandum of Understanding (MOU) to update the Integrated Regional Water Management Plan (IRWMP) to current standards, and to allocate \$6.5 million in State grant funds among projects in San Joaquin County. Eligibility for grant funds is contingent upon completing the IRWMP and also having a robust community engagement process with broad representation on a group such as the GSJCRWCC. SSJID is a signatory to the GSJCRWCC MOU and Director Holbrook is the committee's Chairman. The next meeting of the GSJCRWCC is June 17.
- The GSJCRWCC will be selecting a DAC project in August to receive \$300,000 for design and permitting, and later awarded up to \$900,000 in grant funding for construction. DAC projects may have the entire local cost share requirement waived and these funds have to be spent on a DAC. So far, two projects have been submitted, the Victor Drainage and Recharge Project, and the Thornton Drinking Water Well Project. Victor is classified as severely disadvantaged and could benefit our efforts with SGMA. The Thornton Community has pockets classified as DACs and the community's water well is impacted by manganese and iron.
- County staff are engaging with local representatives to form a DAC Task Force. In his role as the Chair of the GSJCRWCC, County and SSJID staff assisted Director Holbrook in videoing a message for potential DAC Task Force members.

Additional Meetings

- On June 4, Mr. Rietkerk, Mr. Killingsworth, and Mr. Nakagawa participated on a teleconference meeting, with representatives from the City of Riverbank, to discuss a potential wastewater/recycled water project near the City's treatment and discharge point just south of the SSJID's service area near the Park. The City of Riverbank has secured a grant to explore the opportunities and constraints of a project with SSJID as a potential project partner.
- On June 5, Mr. Rietkerk and Mr. Nakagawa participated on a teleconference meeting with the Association of California Water Agencies (ACWA) Executive Director, Dave Eggerton, and AWCA Region IV Liaison, Ana Javaid. The purpose of the meeting was to connect with ACWA

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and share on a number of topics affecting SSJID including regional and state-wide water issues, legislation, and Federal and State legislative affairs.

- Mr. Nakagawa will be speaking at the Manteca Rotary meeting on June 11. The theme of the discussion will be to highlight examples of SSJID collaborations and partnerships with other agencies throughout the region.

Coronavirus (COVID-19) Update

- Mr. Nakagawa has been assisting the General Manager with refining District actions, communications, and research on items related to COVID-19 including a mailer to all SSJID customers, clarifications on designating essential employees, and development of contingency staffing plans. In addition, he has been tracking local information of the situation through the San Joaquin Office of Emergency Services Emergency briefings and updates from the Joint information Center. The SSJID COVID-19 Action Plan is posted to the SSJID Employee Intranet Portal as are other pertinent SSJID specific documents/policies.
- Guidance on the Governor’s Stage 2 and 3 re-opening guidelines, including religious gatherings, schools, gyms, playground equipment and public pools, have been released by the State and are being evaluated by the San Joaquin County Health Officer. Mr. Nakagawa is currently drafting a plan for the Board to consider re-opening the District’s Main Office, utilizing the latest State guidance.

Peter Rietkerk, General Manager:

- Reservoir Storage
 - New Melones storage is currently at **1,820,246 AF** or **76-percent** of capacity. Top of Conservation Storage limit is 1,970,000 acre-feet. The top of conservation limit starts increasing on April first, ramping to 2,420,000 acre-feet by June 1 – September 15, then ramping down to winter levels by November 1.
- Stanislaus River flows are climbing to 1,500 cfs. Reclamation is operating to D-1641 Vernalis flow requirements. Flows are dropping to approximately 800 cfs during the weekends for public safety.

NEWS

Water

- The State Water Resources Control Board (Water Board) rejected the Bureau of Reclamation’s (Reclamation) Sacramento River Temperature Management Plan on June 1, 2020, citing a lack of alternatives that could allow for “better temperature control” than those proposed by Reclamation. The Water Board further stated, “In the spirit of cooperative federalism, we expect that Reclamation will provide the information we requested.”

OTHER ITEMS

Board Policy and Board Handbook

- One of the General Manager’s 2020 goals is to work with the Board and staff to develop guidance documents surrounding Board Governance and Policy. This effort is meant to document the Board’s actions and commitments to good governance that will effectively and successfully lead the District now and into the future. Furthermore, this effort is also meant to document law and requirements that directors must comply with, and best practices that are recommended as a public official. This effort was broadly scoped to address these topics, with latitude to define the document(s) with which

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to accomplish this scope. As we have discussed these topics further at a staff level, we have arrived at the following recommendations:

1. Board Governance Policy – A Board approved policy outlining the purpose, role, and obligations of the Board of Directors, and each individual director. This policy will formally describe and set forth guiding policy for setting board priorities, and includes a code of ethics and conduct, roles and responsibilities of board officers, and a description of board relationships with appointed staff including the General Manager and General Counsel.

The first draft of the Board Governance Policy is under internal review by staff, to be followed for review and discussion by an appointed ad-hoc committee. Appointment of the proposed ad-hoc committee will be placed as an agenda item for the next regular board meeting.

2. Board Guidelines – Provides general information related to directors and public officials including legal requirements such as the Ralph M. Brown Act, best practices for communication and conduct, roles and responsibilities, and typical practices of the board and staff at SSJID.

The Board Guidelines is still under development, and will likely be informed by the Board Governance Policy. Staff will continue to make headway on the development of the Board Guidelines for subsequent review by the end of August 2020.

Stanislaus County Permit to Use Parkland

- SSJID was asked to review and consider approval of an agreement between Stanislaus County and the Radio Controlled Flyers Unlimited, Inc. for use of land at Woodward Reservoir. SSJID understood this arrangement to be an extension of a long-standing agreement with this group to operate facilities for radio-controlled aircraft off of Eastman Road near Woodward Reservoir. SSJID’s review is pursuant to “Amendment Number 1 to Woodward Reservoir License,” Article 9, where the County is required to seek written approval from the SSJID General Manager for all concessionaire agreements at Woodward Reservoir. SSJID’s Engineering and WTP staff have reviewed the documents briefly.

Upon SSJID staff review, the District did not see any significant concerns with the arrangement as it is a continuation of a long-standing arrangement. The General Manager submitted approval of the arrangement on June 1, upon County’s request for expedited review so that it may be considered by their Board of Supervisors this month. The documents for this approval were attached to the General Manager’s Report.

City of Riverbank Regional Recycled Water Project

- SSJID met virtually with Neal Colwell, Engineer and Project Manager at Kjeldsen Sinnock & Neudeck, Inc. (KSN), and representatives from the City of Riverbank regarding a city-led project exploring recycled water reuse in the Eastern San Joaquin Subbasin, and/or potentially the Modesto Subbasin. The June 3 meeting included an introduction of the project concept, including project location in the vicinity of the City of Riverbank’s wastewater treatment plant, and exploration of potential options and opportunities that may exist between the entities, and regionally for this project. This introductory meeting was very-high level and intended to introduce the project to

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initial stakeholders in the region. A brief project description from KSN was attached to the General Manager's Report.

SSJID staff believe that the proposed project may present innovative opportunities for the District, our growers, and the region. Staff is recommending that SSJID continue to engage with the City in this project, at current time, to further explore these potential opportunities as well as identify hurdles. Should the Board wish to discuss the project and SSJID participation further, staff is recommending convening an Ag Water Committee meeting in the near future to meet with project proponents and District staff.

ACTION CALENDAR

Item #2 – Presentation of the SSJID Audit of the 2019 Financial Statements

Mr. Lindley addressed the Board and virtually introduced Mr. Eric Xin, CPA, MBA; and Ms. Ashley Casey, CPA, from Brown Armstrong CPAs, who were attending the meeting via the online Zoom Meeting platform. Brown Armstrong is the accounting firm conducting the SSJID audit for 2019. A copy of the SSJID Annual Financial Report 2019 was distributed to the Board, and Mr. Lindley gave a summary of the report which included the Independent Auditor's Report, Management's Discussion and Analysis, Financial Statements, and Required Supplementary Information. He reviewed key items listed on the Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows.

Mr. Xin addressed the Board and thanked them for the opportunity to work with the District on the 2019 audit. He stated the first year audit went smoothly and commended the District's administrative and accounting staff. Mr. Xin displayed a PowerPoint presentation of the audit report for the December 31, 2019 year-end financial statements, and explained that subject topics in the presentation will include Scopes of Service Recap, Audit Timeline/Critical Dates, Results of the Audit, and Financial Statement Review. Mr. Xin provided a recap of the scope of service and primary objective of the audit.

Ms. Casey reviewed the Audit Timeline/Critical Dates List and provided a thorough explanation of the audit results including the report on financial statements; the Required Communication to the Board in Accordance with Professional Standards (SAS 114); the report on Internal Control over Financial Reporting and Compliance on other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting. In conclusion, Brown Armstrong did not identify any deficiencies in internal control that would be considered to be significant deficiencies. Recommendations include the creation of a business plan for information technology to ensure that any future IT implementations are properly planned and in line with the District's strategy and goals; creation of an asset disposal form to be used for all retired assets and enforce the policy to obtain Board approval before capital assets, with any potential value, are disposed of; and that review of the GASB 68 calculations is conducted by an individual other than the workpaper preparer to minimize errors in the workpaper preparation and journal entry.

MOTION: A motion was made by Director Holbrook and seconded by Director Holmes to accept the South San Joaquin Irrigation District 2019 Annual Financial Report as presented.

The motion passed 4 to 0 by the following vote:

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

Item #3 – Coronavirus (COVID-19) Update

Mr. Nakagawa stated that there are no new District updates to report. He added that the California Department of Public Health has recently released data consisting of COVID-19 hospitalization and available ICU beds for every county in the state, and that San Joaquin County is on a “watch list.” The San Joaquin County Board of Supervisors is holding regular discussions regarding the situation. It is unknown if reclosing businesses will be part of the discussion. Mr. Nakagawa is currently drafting a plan for SSJID to re-open the Main Office to customers utilizing the latest State guidance.

Item #4 – Consider Authorization to Enter into a Master Professional Services Agreement with Selected Qualified Engineering Firms

Mr. Killingsworth addressed the Board and explained that District staff will be preparing for many capital improvement projects (i.e. Water Master Plan process and/or modernization efforts) and that the anticipated projects will span varying degrees of disciplines requiring specific expertise related to those fields. On May 6, staff distributed a Request for Qualifications (RFQ) to multiple engineering firms requesting their abilities to provide “on-call” engineering services for a large number of future District projects. He explained that this RFQ would pre-qualify engineering firms and identify their area of expertise and disciplines; bypass the labor-extensive Request for Proposal process; and streamline the process for future projects. Of the RFQs requested, seven (7) consultants provided responses. The three (3) consultants identified to enter into a Master Service Agreement are: 1) Jacobs; 2) MCR Engineering, Inc.; and 3) Provost & Pritchard Consulting Group. The benefits for each firm are as follows:

- 1) Jacobs – Large scale projects, multiple disciplines; experience with SSJID’s Water Master Plan; CEQA experienced staff
- 2) MCR Engineering, Inc., - Traditional pipeline projects; experience working with Engineering staff
- 3) Provost & Pritchard – Specializes in irrigation modernization and pipelines; CEQA experienced staff

Mr. Killingsworth further explained that engaging in the Master Professional Services Agreement with the recommended consultants will require no cost from the District, and that approval of the proposed agreement does not preclude reaching out to other engineering firms for future projects. In addition, Task Orders may be issued to the selected consultants based on written proposals and fee estimates. All proposals will be approved at either Board level or Staff level per the established protocol.

MOTION: A motion was made by Director Holbrook and seconded by Director Weststeyn to authorize staff to enter into a Master Professional Services Agreement with the following selected qualified engineering firms: 1) Jacobs; 2) MCR Engineering, Inc.; and 3) Provost & Pritchard Consulting Group.

The motion passed 4 to 0 by the following vote:

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

Item #5 – Consider Approval of Request to Quitclaim District Interest in an Easement for Dutra Farms, Inc.

Mr. Killingsworth addressed the Board and stated that on July 26, 1994, the Board authorized the sale, transfer, and quitclaim of a portion of Lateral Yb for the development of surrounding lands, with a 20-foot wide access easement retained by the District. The easement has not been utilized by the District for many years. The owner of the property, Dutra Farms, is planning on selling the property for future development and has requested to extinguish the easement interest since it is no longer needed or utilized by the District.

MOTION: A motion was made by Director Holbrook and seconded by Director Holmes to approve the Quitclaim Deed pertaining to APN 241-320-44; and authorize the Board President and General Manager to sign and do all things necessary and proper to extinguish the easement interest.

The motion passed 4 to 0 by the following vote:

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

Item #6 – Temporary Entry Permit for the State of California Department of Fish and Wildlife: Nutria Eradication

Ms. Brown addressed the Board regarding correspondence with the California Department of Fish and Wildlife (CDFW) regarding a newly-initiated program to eradicate nutria from the State to prevent detrimental impacts to California resources and private properties. The CDFW is requesting permission, through a temporary entry permit (TEP), to access District properties to conduct surveys for nutria, or implement removal efforts when nutria are detected. Ms. Brown further explained that the CDFW would provide 24-hour notice to enter District property. District staff will accompany the CDFW team on the beginning site visits to observe their scope of work, and/or inform CDFW staff of the District's procedure and activities.

MOTION: A motion was made by Director Weststeyn and seconded by Director Holmes to approve the Temporary Entry Permit for the State of California Department of Fish and Wildlife: Nutria Eradication; and authorize the General Manager to sign said agreement.

The motion passed 4 to 0 by the following vote:

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

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Item #7 – Consider Approval of Cooperative Agreement with San Joaquin County for Sexton Road Bridge Replacement Project

Ms. Brown addressed the Board and stated that the San Joaquin County has requested the agenda item be tabled to a future Board meeting.

Item #8 – Discussion and Possible Action Regarding Division 9 Reserve Balance

Ms. Bloom addressed the Board requesting approval to amend the SSJID Reserves Policy, effectively creating the “Division 9 Pressurized System Capital Asset Reserve,” the purpose of which is to show compliance with Proposition 218 and California Constitution Article XIII D, as well as to provide transparency and accountability to our customers. She added that Board discussion, on May 26, 2020, concluded to create such a reserve to hold qualifying revenue (the proceeds from the capital asset replacement and improvement portion of the rates for Division 9 pressurized service). This will be a restricted reserve. The amount of the reserve has been established at \$270,920, the amount equal to the qualifying revenue received for the time period of April 1, 2016 through December 31, 2019, less the capital asset purchases made for the pressurized system during the same time period.

MOTION: A motion was made by Director Holmes and seconded by Director Holbrook to approve to amend the South San Joaquin Irrigation District’s Reserve Policy, effectively creating the “Division 9 Pressurized System Capital Asset Reserve.”

The motion passed 4 to 0 by the following vote:

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

Item #9 – South San Joaquin Irrigation District’s Mid-year Budget Update

Ms. Bloom addressed the Board and provided background of the SSJID 12-month expense budget, 16-month capital expenditures budget, and the Five Year Plan which outlines capital expenditures as well as major non-capitalized projects that are anticipated over the next five (5) years. She stated that on December 10, 2019, the Board adopted the SSJID 2020 Budget, a component of which was a capital expenditures budget for January 2020 through April 2021, as well as approved an update to the Five Year Plan covering 2020 to 2024. This was followed by Board action on January 14, 2020, to adopt a 2020 budget amendment to remove the purchase of a service truck for the Water Treatment Plant in the year 2020, which reduced the 2020 capital budget by \$142,000.

Six (6) months have passed since Board adoption of the budget and details surrounding projects and expenditures scheduled for the second half of 2020 and spring of 2021 have become more evident. The proposed amendment and update serve to incorporate the new information into the current year budget and Five Year Plan. Ms. Bloom provided details of the mid-year budget analysis which concluded that the overall impact of the capital budget amendments across all departments is an increase of \$61,686; and budgeted operating expenditures decreased by \$116,797. A copy of the proposed revised 16-month Capital

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Budget for January 2020 – April 2021, and the proposed revised Five Year Plan for January 2020 – December 2024 have been included in this Agenda Item #9, Attachments A and B, respectively.

MOTION: A motion was made by Director Holmes and seconded by Director Weststeyn to approve the amendment to the South San Joaquin Irrigation District 2020 budget, and update of the Five Year Plan of Major Expenditures for January 2020 – December 2024.

The motion passed 4 to 0 by the following vote:

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

It was announced that all items in closed session would be discussed. The Board took a break at 11:06 a.m. and convened to closed session at 11:15 a.m.

Item #10 – CLOSED SESSION

10. a. Conference with Legal Counsel – Anticipated Litigation
 Initiation of litigation pursuant to paragraph (4) of subdivision (d) of
 Government Code Section 54956.9
 - 3 cases

- b. Conference with Legal Counsel – Anticipated Litigation
 Significant exposure to litigation pursuant to paragraph (2) of
 Subdivision (d) of Section 54956.9
 - 2 cases

- c. Conference with Legal Counsel – Existing Litigation
 Paragraph (1) of subdivision (d) of Government Code Section 54956.9
 - 6 cases

*SAN JOAQUIN TRIBUTARIES AUTHORITY, et al., vs. CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
County of Tuolumne Superior Court
Case No. CV62094*

*SSJID vs. PG&E
Appeal from Judgment of Dismissal Pending:
In the Court of Appeal for the State of California, Third Appellate District
Case No. C086319
Superior Court for San Joaquin County
Case No. STK-CV-UED-2016-0006638*

*PG&E vs. San Joaquin LAFCo; SSJID, Real Party in Interest
In the Court of Appeal for the State of California, Third Appellate District*

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Case No. C086008
Superior Court for San Joaquin County
Case No. STK-CV-UJR-2015-0001266

SSJID vs. Lakeview Ranch Partners
Superior Court for Stanislaus County
Case No. 202844

Modrell and Larson vs. Oakdale Mutual Water Company et al
Superior Court for San Mateo County
Case No. 19-CV-07604

California Sportfishing Protection Alliance v. Eastern San Joaquin Groundwater Authority et al.
Superior Court of Stanislaus County
Case No. CV-20-001720

- d. Labor Negotiations
 - California Government Code Section 54957.6
 - Agency Negotiator
 - Employee Organization: IBEW Local 1245

The Board reconvened to open session at 12:25 p.m.

Disclosure of reportable actions taken in Closed Session, pursuant to Government Code Section 54957.1:
There were no reportable actions taken in closed session.

Item #11 – ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 12:26 p.m.

ATTEST:

Danielle Barney, Clerk of the Board