

Manteca, California
July 23, 2013

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: HOLMES KAMPER KUIL ROOS
ABSENT: HOLBROOK

Also present were General Manager Jeff Shields, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Executive Secretary Betty Garcia.

Director Roos asked for public comment and there was no public comment.

At this time, the Board considered item #1 of the Action Calendar.

Item #1 - Presentation of Vehicle to the City of Manteca SAFE Program

The Board took a short break to take pictures with the SAFE (Seniors Assisting Fire Efforts) members. The district donated a vehicle to their program and the City of Manteca wanted to thank the District. Fire Chief Kirk Waters thanked the Board for their generosity in donating the vehicle and assured them it would be put to good use. Director Roos thanked the volunteers for their efforts.

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

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$498,980.49 A/P Wires in the amount of \$244,283.32 and payroll for July 18 in the amount of \$196,470.66.
- B. Approval of Board Meeting Minutes of July 9, 2013.
- C. Approval of Irrigation Service Abandonment Agreement for Michael A. Deruosi, APN 225-020-17.

Director Kuil noted on page 7 of the minutes, at bullet point #5, the word “help” should be changed to reflect “held.” A motion was made by Director Kuil and seconded by Director Holmes to adopt the Consent Calendar items with the changes as indicated above by the following roll call vote:

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

ACTION CALENDAR

Item #2 – Presentation by Brandon Nakagawa of the San Joaquin County Groundwater Basin Authority

Mr. Nakagawa, professional engineer and Water Resource Manager for San Joaquin County reviewed a Power Point presentation regarding the GBA (Groundwater Basin Authority). He discussed their current membership, mission and goals, accomplishments and current activities. The GBA provides a consensus-based forum of public water interests that will work cooperatively with unanimity and speak on behalf of the members with one voice. Their goal is to facilitate the development of locally supported projects that improve water supply reliability and to provide benefits to project participants and San Joaquin County as a whole. He discussed several of the current projects. Mr. Nakagawa discussed the benefits of regional efforts and the GBA seeks to add more members to their organization.

The Board expressed an interest in their organization and asked staff to bring this item back for further discussion and consideration of becoming a member.

Item #3 – Consider approval of Video Surveillance Policy

Mr. Shields stated the District needs to have the ability to secure its facilities from vandalism, theft, or other criminal activities, as well as to protect its employees.

A motion was made by Director Kuil and seconded by Director Holmes to approve the Video Surveillance Policy. Motion passed unanimously.

Item #4 – Consider approval of budget increase at Solar Farm

Mr. Shields stated the thermal video camera at the solar farm had stopped functioning and needs to be replaced. He said the camera has already been purchased with the General Manager's approval. These funds were not allocated in the 2013 budget, and the budget needs to be increased accordingly.

A motion was made by Director Kamper and seconded by Director Holmes to increase the 2013 budget for the solar farm in the amount of \$6,300. Motion passed unanimously.

Item #5 – Consider approval of asphalt seal coating for Water Treatment Plant Turnout Facilities

Mr. Hubkey stated the Water Treatment Plant has four Turnouts that have an area of asphalt that the District maintains. The District is asking that the asphalt be seal coated.

A motion was made by Director Kamper and seconded by Director Holmes to approve the quote from D. L. Cathcart Asphalt to perform the work in the amount of \$6,200. Motion passed unanimously.

Item #6 – Consider approval of project to redirect recovery clean discharges at the Water Treatment Plant to existing onsite overflow basin(s), find that proposed project is exempt under CEQA, approve and authorize filing of Notice of Exemption, approve the proposed project

Mr. Justin Ashworth distributed two documents: a one-page document entitled, “Nick C. DeGroot Process Overview” and a 27-page power point presentation entitled “Nick C. DeGroot WTP Central Valley Regional Water Quality Control Board Report of Waste Discharge Application.” He reviewed the power point presentation with the Board and answered questions.

A motion was made by Director Kamper and seconded by Director Kuil to take the following actions:

- a) To make the following findings:
 - 1) Adequate storage capacity exists in the storm drain and overflow basins at the Nick C. DeGroot Water Treatment Plant (“WTP”) to handle the discharge of approximately 240,000 gallons of neutralized citric waste discharges from cleaning membranes on a quarterly basis, and still have adequate capacity for winter storm drainage from the plant site.
 - 2) The chemical composition of the neutralized citric waste that is proposed to be discharged into the unlined storm drain and overflow basins has been tested and no chemicals were detected that would constitute a threat to groundwater quality. The discharge of such material into the unlined storm drain and overflow basins will have no adverse water quality or other environmental impacts.
 - 3) The proposed project qualifies for the exemptions from the California Environmental Quality Act found in Volume 14 of the California Code of Regulations, sections 15301, 15303, and 15282(k).
 - 4) Installation of a permanent pipeline of up to 1500 feet to transport the waste discharge from the WTP’s membrane building to the storm drain and overflow basins would cause no adverse impacts.
- b) To authorize the General Manager to sign the Notice of Exemption in the form presented to the Board, to file the Notice with the Stanislaus County Clerk and to pay the necessary filing fee.
- c) To approve the proposed project in which approximately 240,000 gallons of neutralized citric waste discharge may be discharged to the overflow/storm drain basins on a quarterly basis, subject to issuance of the necessary waste discharge permit by the Regional Water Quality Control Board.
- d) To make the documents entitled, “Nick C. DeGroot RWD Process Overview” and power point presentation entitled, “Nick C. DeGroot WTP Central Valley Regional Water Quality Control Board Report of Waste Discharge Application” a part of the record of the Board’s action.

Motion passed unanimously.

Item #7 – Consider request from Ed Machado and KB Homes for a variance to the District’s pipeline replacement policy for their proposed Evans Estates Project located east of Manteca Road

Mr. Bologna stated that KB Homes and Ed Machado are asking for a variance from the tentative map conditions regarding replacement of the pipeline. The owner and the developer have requested that the District consider amending the requirement to replace the Lateral “X” located along the northern boundary of the project due to the fact that it was replaced approximately 12 years ago with the Mission Gardens development to the north. The pipeline is located in the rear yards of the planned residential lots. Although pipelines were allowed in rear yards in the past, the District’s current policy requires that all pipelines be located in front yards.

It was the consensus of the Board to not grant a variance in their policy and to go with staff’s recommendation which is to install the pipelines in the streets.

Bill Hubkey, Water Treatment Plant Manager

- The last power failure at the Water Treatment Plant lasted over one and one-half hours. PG&E had a difficult time locating the problem. The Plant re-start was very difficult with several equipment failures. GE-Zenon needed to be called for assistance.
- A car drove into the main canal above the Water Treatment Plant. Staff contacted CHP. The occupants got out safely and the vehicle was removed by tow truck.
- Divers are cleaning pumpsite tanks at M-2, M-3, and L-1 today. Tomorrow they will be at the plant.
- Charles Galea attended a GE-Zenon open house at the 100 mgd San Diego Water Treatment Plant last week. He brought back several ideas for our plant. There is a new software company for our SCADA system besides Wonderware and one plant has been using Reverse Osmosis to process the citric acid.

Item #8 – Review biological report relative to maintenance of Drain 3a, find that clearing the drain ditch of vegetation is exempt under CEQA guidelines, approve and authorize filing a Notice of Exemption and approve the project

A motion was made by Director Holmes and seconded by Director Kuil to make a finding that the drain ditch is exempt under CEQA guidelines, to approve and authorize the Notice of Exemption, to approve the project to allow Delta College to clear vegetation and to make the staff report and the report from Moore Biological Consultants dated July 17, 2013, a part of the record of the Board’s action. Motion passed unanimously.

Item #9 – Consider conditional approval of plans, encroachments and accept easement dedication for the CICM (Centerpoint) South Project

This item was removed from the agenda.

Item #10 – Consider release of retention monies to Knife River and warranty issues for Division 9

Mr. Bologna stated that Knife River has replaced cables on Turnouts #19 and #76. He said that Knife River agreed to supply an additional three year manufacturer’s warranty on the Siemens Flow Meters. Mr. Shields asked Mr. Shaw if he supports the release of the funds to Knife River with the understanding that remaining issues get fixed. Mr. Shaw expressed concerns with a noise event at the turnouts related to faulty cables or transmitter. He said there were no electrical interferences. He stated that Knife River guarantees they will fix the remaining items and 8 to 10 transmitters have already been repaired. Mr. Shaw is still concerned about the moisture sensors and suggests that \$25,000 be retained until the flow tubes, transmitters, and factory cables are working properly.

A motion was made by Director Kamper and seconded by Director Kuil to authorize release of the retention monies to Knife River in the amount of \$224,290, subject to legal approval of the warranty language, with the promise that Knife River will continue to work on fixing the remaining problems. Motion passed 3 to 1 with Director Holmes casting a no vote.

Item #11 – Quarterly presentation of Financial Statements

Mr. Lindley reviewed the financial statements with the Board.

Item #12 – Quarterly presentation of Investment Reports

Mr. Lindley reviewed the investment reports with the Board.

Item #13 – Consider compensation adjustment for General Counsel after Closed Section

This item was postponed until the next regular meeting.

Item #14 – Communications

President Roos asked for Managers Reports.

Don Battles, Utility Systems Director

- He distributed the Fifth (final) Year Refund History for CSI Solar Project. It was noted the District received over half of the costs of the two projects back in rebates.

Jeff Shields, General Manager

- He noted the AECA June report was included in the Board’s packet but he wanted to point out the Phase 2 GRC. The Agricultural class is looking at a 6.9% rate increase and a 5.2% standby increase for January 1. PG&E is seeking to restructure the Ag rates by going from 13 schedules to 3 schedules. The TOU opt-in rates will now have five TOU periods; three for summer, peak, partial peak, and off-peak and the two winter; peak and

off-peak. SSJID did not intervene directly in this case at the CPUC but he has been talking to AECA and the CFBF about the rate proceeding.

- Another note in the AECA report is the discussion of SB 594 which is the aggregation and NEM legislation that was passed last year. This is a good law that will allow SSJID to net meter all of its 42 PG&E accounts against a single generator. The District could put in the in-channel generation or build out the rest of the Robert Schulz Solar Farm. This is currently awaiting action by the CPUC to figure out the detail of implementing the law. This is not something the IOUs like so they can be expected to encourage the CPUC to drag its feet on this one. AECA and ACWA could be very helpful putting some fire under the Commission staff.
- Drought; New Melones is holding 1,183,187AF (48% full) and San Luis is holding 344,918AF (16.9%). San Luis has dropped 11.23 feet since July 1.
- Congressman Jeff Denham introduced HR 2705 allowing SSJID and OID to implement a predator removal program on the Stanislaus (see OpEd).

General Counsel announced the Board would be discussing items 15 c & d under Closed Session.

ITEM #15 – CLOSED SESSION

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

Upon returning from closed session, it was announced that no reportable action was taken in closed session.

ITEM #16 - ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kamper and seconded by Director Holmes to adjourn the meeting at 12:55 p.m. Motion passed unanimously.

ATTEST: _____
Betty Garcia, Executive Secretary