

Manteca, California
August 12, 2014

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:00 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

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 \$902,898.79; A/P wires in the amount of \$778,315.30; payroll dated July 25 and August 8 in the amount of \$388,980.27.
- B. Approval of the regular Board meeting minutes of July 8, 2014.
- C. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Jerry Paddock, APN 225-040-30 and 225-040-31.
- D. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, John and Susan Larson, APN 249-190-09.
- E. Approval of Resolution #14-09-A to adopt the Eastern San Joaquin Integrated Regional Water Management Plan 2014 update.

**RESOLUTION OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT
TO ADOPT THE EASTERN SAN JOAQUIN INTEGRATED REGIONAL WATER
MANAGEMENT PLAN 2014 UPDATE
RESOLUTION NO 14-09-A**

WHEREAS, South San Joaquin Irrigation District ("District") is a member of the Eastern San Joaquin County Groundwater Basin Authority ("Authority"), a joint powers authority of public agencies which serves as a consensus-based forum of public water interests with an interest in preserving and improving the reliability of groundwater resources within San Joaquin County, and

WHEREAS, the Authority adopted the Eastern San Joaquin Integrated Regional Water Management Plan 2014 Update (“2014 Update”) at its meeting on June 11, 2014, and

WHEREAS, the Authority has applied for a grant pursuant to the 2014 Integrated Regional Water Management Drought Grant Program administered by the California Department of Water Resources (DWR), and

WHEREAS, as part of the grant process, the District has been asked to adopt the 2014 Update,

WHEREAS, the District supports the efforts of the Authority and its member agencies to monitor and improve the groundwater conditions in San Joaquin County,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of South San Joaquin Irrigation District that:

1. The District hereby adopts the 2014 Update.
2. The District’s General Manager is authorized to provide such documentation to the Authority or to the Department of Water Resources as may be necessary to document this action.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

PASSED AND ADOPTED this 12th day of August, 2014, by the following roll call vote:

Ayes:	HOLBROOK HOLMES KAMPER KUIL ROOS
Noes:	NONE
Abstain:	NONE
Absent:	NONE

Director Roos noted on page 5 of the minutes on the second bullet point of Mr. Lindley’s report the word “are” needs to be changed to “our.”

A motion was made by Director Kuil and seconded by Director Holbrook to accept the Consent Calendar items with the above noted correction 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 2014 Water Supply Forecast, Irrigation Schedule, and Woodward Reservoir

Mr. Shields distributed reports on the current reservoir conditions as well as SSJID’s water usage reports from July 13 through August 3. He noted the spills from Oakdale are higher than indicated in the water budget report. He said the Bureau of Reclamation predicts New Melones

will probably be at 339,000 acre-feet on September 30. He indicated if the District experiences another dry year next year's water supply could be in jeopardy.

Item #2 – Ratify decision of the Water Committee to curtail water to the cities and to end the water season on September 30

Mr. Shields discussed the results of the Water Committee meeting which was held on July 15 and indicated the irrigation demand has been higher than originally projected. He is concerned that the Bureau of Reclamation continues to draw down New Melones beyond what is absolutely required under their regulatory obligations. He is working with Steve Knell on formulating a challenge to the Bureau's operations at New Melones.

The recommendation of the Water Committee is as follows:

- a) Notify growers that the last irrigation will end on September 30
- b) Begin to lower Woodward Reservoir to reach a 200 ft surface elevation no later than September 30 and end all bodily contact on September 8
- c) Curtail domestic water deliveries to Manteca, Tracy, and Lathrop by 20% of last year's allocation in August and September

A motion was made by Director Holbrook and seconded by Director Holmes to approve the recommendations of the Water Committee. Motion passed 4 to 1 as follows:

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

Item #3 – Consider bids for the construction of the east basin well and award of contract

Mr. Sam Bologna stated there were no bids received in the first attempt to obtain bids. The bid solicitation was then broken into three options consisting of a 14 and 16 inch low capacity well and an 18 inch high capacity well. Of the two bids received, Maggiora Brothers Drilling, Inc. was the lowest bidder. They indicated, if awarded, they could start the project on October 20 and estimate completion by November 28. Several Directors questioned the cost to develop the high capacity well and indicated they have seen them built for a lot less money. Tom Butler from Stantec explained the goal is to get the most water with the high capacity well and a long operating life. He described the well specifications and said although this is the most expensive of the three options, the design incorporates both high quality materials and cost saving elements to limit construction costs. He said an 18 inch casing and an external sounding tube would be used for ease of instrumentation, water level monitoring, and future well diagnostics (video) if needed. Mr. Bologna indicated that the cost does not include pump or electrical wiring. Those costs will be determined once the well testing is complete and the proper match for well can be determined. It is estimated that an additional \$75,000 would cover those expenses. Bids for these items will be brought back to Board for approval once they are obtained.

A motion was made by Director Kamper and seconded by Director Holmes to approve option 3 and award the contract to Maggiora Brothers Drilling Inc. for the high capacity well in the amount of \$343,064 and to amend the budget accordingly.

Motion passed 5 to 0 as follows:

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

Item 4 – Consider approval of amendment to irrigation service abandonment agreement for Jimmy & Marie Bayless, APN 208-080-18 consisting of 0.57 acres

Mr. Bologna noted the property has been signed off by Mr. Bayless since 2005, however, land owner has been receiving District water through the gate at the main line that serviced his neighbor. It was discovered when the neighbor complained that the water he was being charged for was going to Mr. Bayless.

A motion was made by Director Kamper and seconded by Director Holmes to deny the approval of the amendment to irrigation service abandonment agreement for Jimmy & Marie Bayless, APN 208-080-18 and authorized staff to enforce the District’s policy to discourage unlawful use of District water. Pursuant to the policy, the land owner will be billed for the water that was taken without authorization and for the costs to remove unauthorized irrigation delivery facilities. Motion passed 4 to 1 as follows:

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

Item #5 – Consider approval of credit card policy

Mr. Shields indicated the District has a written policy governing reimbursement to employees for purchasing goods and services on behalf of the District and that this reimbursement policy has provisions for use of District credit cards. He said our auditors recommended adoption of a policy specifically governing District credit cards. This proposed policy expands the existing provisions for the use of District credit cards. Its purpose is to document the District’s existing practices and include additional provisions where necessary or advisable.

A motion was made by Director Kuil and seconded by Director Holmes to adopt the proposed credit card policy. Motion passed 5 to 0 as follows:

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

Item # 6 – Consider approval of amendments to Harassment Policy

Mr. Emrick noted this policy has been amended to observe the requirements of California law as to protected classifications, some of which are race, religion, sex, and national origin. The Harassment Policy is included in the personnel rules, so upon the Board’s approval of the Harassment Policy, the personnel rules will be updated as well.

A motion was made by Director Holbrook and seconded by Director Kamper to approve the amended Harassment Policy; modify section #5 to reflect that employees may report to other District personnel as indicated in item #9; and approve the same change to the personnel rules.

Motion passed 5 to 0 as follows:

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

Item #7 – Quarterly presentation of Financial Statements

Mr. Bere Lindley discussed the June financial statements and distributed spreadsheets that covered 2014 debt service coverage projections and the effects of defeasing a single year of bond maturities. He indicated that because of the drought this year the District is experiencing challenges meeting the debt service coverage ratio requirement of the 2012A bond indenture, despite being in sound financial condition. The remedy for 2014 includes some expense reductions, and developing some opportunities to increase certain categories of revenue. He believes next year, if the District has another dry year, its implications to the debt service coverage ratio could be similar to this year. The plan to assure adequate debt service coverage in 2015 is to defease the 2015 bond maturities before the end of 2014. The next step in that process would be for the Board to adopt a resolution later this year to defease the 2015 bond maturities.

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

Item #8 – Quarterly presentation of Investment Reports

Mr. Lindley reviewed the investment reports with the Board. This item was for information only and no action was taken.

Item #12 – Communications

Ed Erisman, Water Treatment Plant

- There was a tour of the turnout facilities that lead into the transmission lines with the city directors on July 29.
- A new T-3 operator started on July 14.

Don Battles, Utility Systems Director

- The solar panels were received on August 11 and a company has been hired to replace the old panels on August 19. There should be an overall capacity boost of approximately 12%.

Item #10 – Harassment Training

Mr. Bruce A. Scheidt, attorney with the Kronick Moskovitz Tiedemann & Girard law firm, provided a two hour mandatory AB 1825 Sexual Harassment Prevention interactive training for the Board members and supervisors in attendance.

Item #9 – Directors Report from Hydrovision International Conference

Director Kamper said there is a lot to learn about Hydros. He toured the Kentucky and Barkley dams. The conference exhibit hall was over a city block in size with many sites to see. He attended sessions on water quality issues and turbine triad non-monitored power plants. He said Tennessee is very wet and green.

Director Holbrook noted over 47 countries were represented at the conference with 2400 to 2600 in attendance. Peggy Harding of Turlock Irrigation District won the Dam Safety award. Canada is the 3rd largest producer of hydro power in the world and 60% of its power is hydro. Canada sells 30 to 40 terra watts per year to the United States and plans to double its capacity by 2050. He attended sessions on pump storage, dam safety, and turbine repair. He said all presenters agree on the need to have consistent routine inspection cycles at your facilities to proactively identify areas of concern and take nothing for granted.

Item #12 - Communications

Director Holbrook attended the Advisory Water Commission meeting on July 16. They discussed the Governor's plan for recognizing groundwater recharge as a beneficial use. San Joaquin County Board of Supervisors reaffirmed its opposition to the Bay Delta Conservation Plan (BDCP) by approving a terse resolution and the formal submission of public comments blasting the multi-billion dollar proposal on nearly every level.

Director Kuil attended the Advisory water meeting at Tri-Dam. There is little going on with no power being produced.

Director Holmes reported that both he and Director Roos will continue to be a part of the Board for the next four years as nobody ran against them.

Director Roos attended the Ripon Chamber Installation dinner and the Pardee Barbeque. The Calla-Nile Garden Farm Center will hold their quarterly meeting on Friday, August 15. He attended the San Joaquin Tributaries meeting on Monday, August 11 and it was noted that 40% of the water will be reserved for wildlife.

Troylene Vallow, Communications

- Distributed thank you notes from the First Tee for the Districts' support.
- The City of Manteca Policeman's ball will be held on September 20.
- BIA Salute to Policy Makers dinner is on Monday, September 15 at 5:00 p.m.
- Manteca Fire Department is hosting a car show on Saturday, September 13.
- United Way along with Manteca, Lathrop, Escalon and Ripon are hosting a wine, chocolate, and art event on Wednesday, September 17 at the Promenade in Manteca.

Sam Bologna, Engineering Department Manager

- Conservation Program has paid \$141,717 and has remaining commitments of \$248,217.
- Held a follow-up workshop for the pressurized study.
- Completed the grant application with the GBA's assistance.
- Meeting with dam safety on Wednesday.

- Meeting with City of Manteca staff on Wednesday regarding an amendment to the Master Storm Drainage agreement.
- Planning on giving a tour of Division 9 project on Thursday to a group consisting of representatives from various irrigation districts, San Joaquin County staff, consultants, and interested farmers.
- Keith Sausedo attended the San Joaquin Delta Coalition meeting yesterday and indicated that Mike Wackman has taken over for John Brodie as executive director. They discussed providing a template for a farm evaluation plan and a nitrate plan for farmers to use to assist in the preparation of required plans. The template will be available in about 30 days.

Jeff Shields, General Manager

- Water Bond is moving quickly. Legislature had to pass a bill last night to extend printing the ballot pamphlet in order to allow an extra 49 hours to negotiate a new water bond. Currently the bond is about \$7.2 billion with \$2.5 billion for new storage and the rest for storage.
- Water right fee hearing and groundwater bill is tomorrow at 1:30 p.m. at SWRCB. The proposal is at 17% increase from \$94,000 to \$119,235. These fees have been paid under protest for over 5 years and the courts have ruled them illegal because they lacked a necessary link to a service provided by the state.
- Groundwater legislation is moving through the legislature. ACWA, AECA, CMUA, Legislature (Galgiana, Gray, Olsen) and Governor are actively pursuing a bill. After a half dozen different bills there are now two bills, one in the assembly and one in the senate with the same language. Neither bill has language that will change the language allowing for groundwater recharge as a “beneficial use.” The current language allows a regional entity such as ESJGWBA to “acquire water rights.” The District is pressing to ensure the entity cannot use eminent domain to take water rights. The bill will require measuring water pumped and will set a fee for using groundwater.
- DWR sent a letter approving the Districts 2010 Urban Water Management Plan and the next revision will require a water shortage contingency plan.
- SWRCB “emergency rules and regulations” along with post-1914 water rights curtailments have been out for three weeks and not a single enforcement action has been initiated by the agency.
- New Melones was at 1,132,031AF on August 11, 2013. On August 11, 2014, it is at 594,788 AF.
- Stanislaus River Cleanup project will be held on September 20 from 9:00 am to noon. The City of Ripon and SSJID is working with Stanislaus County to put two sites together, one at Highway 99 and the other at Jack Tone Road. SSJID will help to sponsor the event.

Item #13 – Closed Session

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

- b. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of
Government Code Section 54956.9
- 4 cases
- c. Public Employment Performance Evaluation
Government Code Section 54957
General Counsel

Item #11 – Consider compensation adjustment for General Counsel after Closed Session

A motion was made by Director Holbrook and seconded by Director Kamper to increase the General Counsel’s current salary by \$7,200 per year retroactive to July 1, 2014. Motion passed 5 to 0 as follows:

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

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

ITEM #14 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Holmes and seconded by Director Kuil to adjourn the meeting at 3:09 p.m. Motion passed 5 to 0 as follows:

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

ATTEST: _____
Betty Garcia, Executive Secretary