

Manteca, California  
September 9, 2014

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:01 a.m. President Roos called the meeting to order and led the flag salute. Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL ROOS  
ABSENT: NONE

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

**Public Comment** - None

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

**CONSENT CALENDAR**

- A. Approval of Warrants in the amount of \$208,049.82; A/P wires in the amount of \$316,177.36; payroll dated September 5 in the amount of \$195,461.46.
- B. Approval of the regular Board meeting minutes of August 26, 2014.
- C. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Mike Amador, APN 249-110-61 and 249-110-18.
- D. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Jesus & Rosario Olmos, APN 203-210-17.

Director Kamper noted on page 7 of the minutes, his comment should be that he has concerns about the accuracy of volumetric billing. Director Roos noted on page 5 of the minutes, on the third bullet point of item #6, the word "repaid" should be "paid." Director Holbrook noted on page 1 of the minutes to correct the name Longstrap to Longstreth.

A motion was made by Director Holbrook and seconded by Director Kamper to accept the Consent Calendar items with the above noted corrections 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 donation of surplus District truck scheduled for sale to the City of Manteca Fire Department/CERT unit**

Mr. Shields stated the District has donated vehicles in the past if it can benefit the community. He said no requests for donations have been submitted by the City of Escalon or Ripon. Mr. Emrick noted the District has several buildings located within the City of Manteca and it relies on the Fire Department.

Fire Chief Kirk Waters thanked the District for its donations in the past and for giving back to the community. He stated that Troylene Vallow, Communications Coordinator for the District, serves the community with integrity and honesty.

A motion was made by Director Holbrook and seconded by Director Kuil to authorize Finance Supervisor to transfer title of the surplus District truck to the City of Manteca Fire Department for use by the CERT unit, subject to the following: acceptance of the following terms by the Manteca City Council – should the City sell the truck within 5 years of our donation, net proceeds of the sale will be returned to the District; and the City of Manteca will put a sticker on the vehicle that will identify the truck as being donated by SSJID. Motion passed 5 to 0 as follows:

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

**Item #2 – Consider approval of the District’s core value process**

Mr. Shields introduced Rex Osborn who has been working with staff in the areas of organizational training and general awareness activities. Mr. Osborn stated that a variety of SSJID employees from all departments worked with him to determine what the District’s purpose and core values should be. These values are part of the employee evaluation process. If the process is approved, Mr. Osborn will assist the District with first launching the program with supervisors and then all employees, seeking feedback and suggestions that might strengthen the behaviors that exemplify the values. Plans to have further training would be at this year’s Safety Day. Ms. Vallow noted that the wording of the core values could change. This action would only approve the process.

A motion was made by Director Holbrook and seconded by Director Holmes to approve the District’s purpose and core values process. Motion passed 5 to 0 as follows:

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

**Item #3 – Consider 2014 Water Supply Forecast, irrigation schedule, and Woodward Reservoir**

Mr. Shields distributed water usage reports, reservoir conditions, and monthly water diversions, and the projected water budget. Mr. Catanzarite said the main supply of water will be cut off in the afternoon of September 30.

**Item 4 – Consider approval of bid from Calco, Inc. in the amount of \$173,100 to design and erect a maintenance building at the Water Treatment Plant**

Mr. Erisman said this item came before the board at the last meeting but since it was above the budget approved by the cities, it was best to circulate it to the cities for review and comment. The cities were contacted and no response was received.

A motion was made by Director Kamper and seconded by Director Holmes to accept the bid from Calco, Inc. to design and erect a 60 x 90 red iron building including the foundation, windows, doors, and ventilation at the Water Treatment Plant. Motion passed 5 to 0 as follows:

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

**Item #5 – Consider approval of permeate pipe repair at the Water Treatment Plant**

Mr. Erisman said shortly after the water treatment plant was constructed a minor water intrusion in the lower level of the filter building was discovered. The water would disappear during the summer months and staff attributed it to rain water seepage. Recent leaks were tested and it was concluded the leaking water must be coming directly from our pipeline. Bids were sought but only three bids were received. The bids include excavation, shoring, inspection, tightening MJ bolts and backfilling the trench. Additional work required to stop the leak will be billed on a prevailing wage, time, and materials rate. A total of \$100,000 was budgeted for this project and due to the unknown possibilities approval for the entire budgeted amount is requested to cover unforeseen issues to complete the project in a timely manner. Director Holbrook suggested in the original installation of the pipe, the bolts may not have been securely tightened. This could possibly be a warranty issue and the construction company should be put on notice.

A motion was made by Director Kuil and seconded by Director Holbrook to accept staff's recommendation to accept the quote from D.A. Wood in the amount of \$34,291 and approve access to the full budgeted amount of \$100,000 if needed. Motion passed 5 to 0 as follows:

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

**Ed Erisman** gave a quick report of the activities at the Water Treatment Plant

- Reported two power outages in August and two more outages in September
- A no bodily contact order was issued at Woodward Reservoir effective 9/8/2014
- Senior T4 Operator, Jason McCulloch is in Nashville, TN at the annual GE users conference; in the past attendees have brought back good information

**Item # 6 – Approve Resolution #14-12-E amending Resolution #12-13-E and approve Resolution #14-13-E authorizing the General Manager to file with San Joaquin LAFCo a third supplement to the District’s application to provide retail electric service**

Mr. Emrick explained the changes to the District’s plan to provide retail electric service and said the changes are reflected in the third supplement to the District’s application and in Resolution #14-12-E. The first change clarifies that the District’s payments to the County in lieu of the property tax revenue paid by PG&E includes tax revenue charged to unitary and nonunitary property by the State Board of Equalization. The second change clarifies that the District’s payments to the County in lieu of the property revenue paid by PG&E includes the portion of tax revenue the County now distributes to other public agencies within the County. These two changes are reflected in Resolution #14-12-E.

A motion was made by Director Holbrook and seconded by Director Holmes to approve Resolution #14-12-E amending Resolution #12-13-E and Resolution #14-13-E authorizing the General Manager to file with San Joaquin LAFCo a third supplement to the District’s application to provide retail electric service.

**RESOLUTION NO 14-12-E  
RESOLUTION OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
TO NEGOTIATE AGREEMENTS WITH MANTECA, ESCALON, RIPON AND  
SAN JOAQUIN COUNTY  
AMENDING AND RESTATING RESOLUTION 12-13-E**

**WHEREAS**, South San Joaquin Irrigation District (“District”) is considering whether to exercise its legal authority under Water Code section 22115 to provide retail electric service by acquiring existing electric distribution facilities owned and operated by Pacific Gas & Electric Company, and

**WHEREAS**, the District’s purpose in providing retail electric service include investing its capital, and a portion of future Tri-Dam revenues if necessary, to acquire, own and operate the electric distribution system in the area in order to lower the costs of providing electric service and lower retail electric rates, which will provide long-term stimulus to and economic growth in the local economy; transferring responsibility and accountability for local electric resource policies and practices within SSJID’s existing territory from PG&E to locally elected public officials accountable to voters in the communities SSJID serves; and increasing local influence over and accessibility to retail electric customer service, and increasing local influence over energy resource policies, while at the same time not causing the cities within the District or the County of San Joaquin to experience reduced revenue from loss of franchise fees or property taxes (which term is used herein to include taxes charged to unitary and nonunitary property by

the State Board of Equalization)that may currently be paid by Pacific Gas & Electric Company on account of its ownership and operation of electric distribution facilities, and

**WHEREAS**, many of the electric distribution facilities needed to provide retail electric service within the District are located in streets, roads, highways and other public rights of way built, repaired and maintained by San Joaquin County and within the Cities of Manteca, Escalon and Ripon, and

**WHEREAS**, the District will require additional fire protection, police services and other public health and safety services from San Joaquin County and the Cities of Manteca, Escalon and Ripon as a result of expanding the services it provides to include retail electric service, and

**WHEREAS**, it is in the public's interest for the District to ensure that neither San Joaquin County or other public agencies nor the Cities of Manteca, Escalon and Ripon suffer a reduction in revenues, including revenues required to properly construct, repair and maintain streets, roads, highways and other public rights of way or to provide fire protection, police services and other public health and safety services as a result of the District providing retail electric service, and

**WHEREAS**, it is in the public's interest for the District to ensure in its permission agreements with the Cities of Manteca, Escalon and Ripon under Water Code section 22476, that the Cities receive the same amount of revenue, including revenue necessary for fire protection, police services and other public health and safety services and for the use of streets and roads within the Cities, that they currently receive through franchise fees from Pacific Gas & Electric Company on account of its ownership and operation of electric distribution facilities, and

**WHEREAS**, it is in the public's interest for the District to ensure through agreement with the County that the County will receive the same amount of property tax and franchise revenue, including revenue necessary for fire protection, police services and other public health and safety services and for use of streets, roads highways and other public rights of way within the County and including the portion of property tax revenue the County now receives and distributes to other public agencies within the County, as it currently receives on account of Pacific Gas & Electric Company's ownership and operation of electric distribution facilities service located within County, and

**NOW THEREFORE, BE IT RESOLVED** that:

1. The District is committed to providing the same amount of revenue to the Cities of Manteca, Escalon and Ripon, if the District acquires electric distribution facilities owned and operated by Pacific Gas & Electric Company, as they currently receive through franchise fees on account of Pacific Gas & Electric Company's ownership and operation of such facilities.
2. The District is committed to providing the same amount of revenue to San Joaquin County, if the District acquires electric distribution facilities owned and operated by Pacific Gas & Electric Company, as the County currently receives through franchise fees and property taxes on account of Pacific Gas & Electric Company's ownership and operation of such facilities, plus an annual inflation adjustment. The District's

commitment includes the portion of property taxes the County now receives and distributes to other public agencies within the County.

3. District staff is directed to meet with officials of Manteca, Escalon and Ripon and the County of San Joaquin on behalf of itself and the other affected public agencies to negotiate agreements to accomplish the foregoing objectives for the Board's approval, in order to assure the District's right to use public rights of way necessary to provide retail electric service, and to memorialize the District's commitment to furnish these agencies with the same amount of revenue as is currently received, including revenues required to properly construct, repair and maintain streets, roads, highways and other public rights of way and to provide fire protection, police services and other public health and safety services, as a result of the District providing retail electric service as described above.
4. The District agrees that the San Joaquin Local Agency Formation Commission may condition its approval of the District's application to provide retail electric service by requiring that the District, as a cost of providing retail electric service, make payments in lieu of franchise fees and property taxes subject to terms of agreements to be executed with the Cities of Manteca, Escalon and Ripon and the County of San Joaquin.

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

**PASSED AND ADOPTED** this 9<sup>th</sup> day of September 2014, by the following 4 to 1 roll call vote:

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

**RESOLUTION NO. 14-13-E  
RESOLUTION OF THE  
SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
TO FILE THIRD SUPPLEMENT TO APPLICATION TO LOCAL AGENCY  
FORMATION COMMISSION TO PROVIDE RETAIL ELECTRIC SERVICE**

**WHEREAS**, South San Joaquin Irrigation District ("District") is authorized by Water Code section 22115 to provide for the acquisition, transmission and distribution of electric power, and

**WHEREAS**, the District filed an application with San Joaquin Local Agency Formation Commission ("LAFCO") on September 3, 2009, ("Application") to provide retail electric service, and

**WHEREAS**, the District filed a supplement to the application with LAFCO in September, 2010, ("Supplement") and a Second Supplement in September, 2012, ("Second Supplement") and

**WHEREAS**, the District has prepared a third supplement to the application,

**NOW THEREFORE, BE IT RESOLVED** that: The District's General Manager is authorized to file the third supplement to its Application, as amended by the Supplement and Second Supplement previously filed with LAFCO, and

Its General Manager is further authorized to provide such additional information as may be reasonably requested by LAFCO and to pay the appropriate administrative fees to file and process the third supplement.

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

**PASSED AND ADOPTED** this 9<sup>th</sup> day of September, 2014 by the following 4 to 1 roll call vote:

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

**Item #7 – Consider amendment #1 to the Storm Drainage Master Plan with the City of Manteca**

Mr. Bologna indicated that he has been speaking with the City of Manteca in regards to updating their existing Storm Drainage Master Plan. The primary changes that would impact the District involve the proposed expanded use of the District's system of laterals for stormwater conveyance. Director Holbrook suggested that the City specify a time frame to conduct regular inspections.

Mr. Phil Govea, Deputy Director of Public Works in Manteca addressed the board stating that approving the amendment with the contingency that the City and District staff will work out the details will allow him to proceed and present the amendment to the Manteca City council for approval.

A motion was made by Director Holbrook and seconded by Director Kuil to approve amendment #1 to the Storm Drainage Master Plan with the City of Manteca contingent upon a commitment from the City to revise the master plan to be in compliance with the current agreement as well as any corresponding amendments to the agreement; that the City, general counsel and staff work out the details of the amendment; and to authorize the General Manager to sign the amendment once it is finalized.

Motion passed 4 to 1 as follows:

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

**Item #8 – Consider amendment to Irrigation Service Abandonment agreement for Marjorie Alfieri, APN 205-250-13 and 205-250-15**

Mr. Bologna stated this is an emergency request because the water quality of the well is not good and they need the water. The land has been signed off since 1992 and the owner recently installed a sprinkler sump and wants to utilize surface water to connect to an existing drip system. Mr. Bologna indicated that Alfieri is on the TruPoint rolls as a recharge customer and that he has been taking water. Director Holmes asked why this parcel was on the rolls if the property has been signed off since 1992. Mr. Lindley will check with staff to inquire how the property was added to the rolls and when the property signed off.

A motion was made by Director Holmes and seconded by Director Holbrook to approve the amended Irrigation Service Abandonment agreement subject to staff recommendations and subject to the conditions specified in the revised policy for rescinding irrigation service abandonment; also waive the one year notice requirement; and impose fees in accordance with the provision of the recorded service abandonment agreement. Motion passed 4 to 1 as follows:

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

**Item 9 – Consider authorizing staff to enter into a reimbursement agreement with George Reed Inc. related to the replacement of a portion of Lateral “H” using District crews**

Mr. Bologna asked that this item be removed from the agenda due to insufficient information.

**Item #10 - Communications**

Director Holmes stated the Agricultural Water Committee met on Friday, September 5, to discuss drain water issues. They reviewed the Oakdale Irrigation District’s drought policy and are working on a contingency plan to minimize tail water runoff within the District. Mr. Shields said the water operations department is discussing a plan to have two staff members focus on the properties that spill water by regulating the sprinklers/gates. Mr. Bologna indicated that an automated gate system might work.

Director Holbrook attended the Water Advisory Commission meeting on August 26 and the discussion was related to the water bond and ground water issues. He thanked the Board, administration, the District, and Troylene Vallow for working on the District’s core value process.

Director Kuil stated there was no Tri-Dam advisory meeting and that he plans to attend the Groundwater Basin Authority meeting tomorrow.

Director Roos distributed water supply and water use information sheets to the board.

Don Battles, Utility Systems Manager

He advised the Board that the replacement solar panels were installed and the job took two weeks to complete. He said the inverter #5 is out and will be fixed soon.

Bere Lindley, Finance & Administration Manager

- Most of his time has been focused on consolidated retail electric financial projections to include in the municipal services review
- Met with budgeting personnel to kickoff the 2015 budget preparation process
- Working with Sam, Joe, Ed, Justin, Ron Gee, and others on the 5 year capital expenditures plan
- Will bring a proposal to the board to renew the contract with auditors; both Oakdale and Tri-Dam approved an extension of their audit engagement with the same accounting firm
- Sam is working with developers to increase cash capital contributions revenue for 2014
- He and Steve are working to ensure the annexation policy is a good policy for the long term
- Will schedule an agenda item in the near future to consider defeasing 2015 maturities of the 2012A bonds. He will invite bond counsel Doug Brown to address the Board
- He is working on plans to transition the new compliance and safety officer
- Worked on Lathrop Irrigation District's tariff for net metering

Troylene Vallow, Communications

- Thanked the board for approving the truck donation to the City of Manteca Fire Department CERT team
- Senior Breakfast will be held on Saturday, September 13 at 9:00 am
- Agape Golf Tournament is on Friday, September 12
- BIA Salute to Policy Makers reception is on Monday, September 15
- Chief of Police "Night Among Heroes" dinner is on Saturday, September 20
- She will attend the CSDA conference along with Holbrook, Kuil, Thornburg, and Emrick
- Great Valley Book Fest will be held on October 8; as well as the Ripon Main Street Day
- Safety Day for the District is on Wednesday, November 5
- AgVenture Day with Manteca Unified School District is November 6
- Free Senior Breakfast is on Saturday, November 15 at the Senior Center. She would like to get the board members and their spouses to help serve

Sam Bologna, Engineering Department Manager

- Water conservation program has committed \$248,217 and disbursed \$141,717
- Keith Sausedo attended the Water Coalition meeting where they discussed the On-Farm evaluation plan design template which will be available in June of 2015; administrative fee will be levied for those who join late, the farmers will need to hire a licensed geologist to prepare a ground water assessment report. There was also discussion as to how to divide coalition boundaries (County versus watershed area).
- Stantec and Davids Engineering presentation of Milestone #2 at the October 14 board meeting
- Division 9 project received an International Award to be presented in Korea.

Jeff Shields, General Manager

- Ron Strmiska Sr. passed away and his services will be held tomorrow
- Distributed the Oakdale Irrigation District Proposition 218 notice for rate increases

- Eastern San Joaquin County Groundwater Basin Authority meeting is tomorrow at 9:30 am at Cal Water in Stockton
- He will make a presentation at the California Public Utilities Commission in San Francisco tomorrow along with Sam Bologna and Jeff Shaw
- Walt Luihn is the new environmental compliance and safety officer and he will start his position on September 17
- Stanislaus River cleanup is on Saturday, September 20 from 9 am to noon; starts at the bike bridge in Ripon and ends at Jack Tone parking access near the golf course
- Jeff Denham fundraiser will be held in Oakdale on Monday, September 15
- Water Committee met to discuss a 2015 drought contingency plan; the group included the Water Treatment Plant, Operations and Engineering. Reviewed OID and TID's plans and based on feedback from the committee will prepare a draft for the board's consideration at the October 14 meeting
- APPA Resolutions was passed around for the board's review
- He attended three meetings with the Bureau of Reclamation over the 2014 New Melones Operating Plan. The last meeting was via conference call that included SEWD, OID, SSJID, BOR, NMFS, CDF&W and FishBio. The issue is fall pulse flows and cold water pool. The Bureau made things worse by challenging the cold water pool assumption which FishBio said was 350,000 AF and the Bureau now says it is 450,000 AF. The Bureau is still planning to do the fall pulse flows which take 25,000AF. He explained that of the 425,000 AF that will be in New Melones on September 30, that 150,000 belongs to OID and SSJID and some additional water will belong to us under the formula water per the 1988 agreement. FishBio argued that fall run chinook are DNA hardwired to migrate regardless of flows and that if there were enhanced flows the fact remains that once the fish spawn the river will not sustain the eggs as the redds will be dewatered. He asked what happens to the water once it passes Vernalis and the Bureau said it is "abandoned" and can be picked up by exporters. This issue is not about fish but about taking water out of New Melones for export.

The following structure permits were approved:

- Maria Barron, APN 249-190-20

It was announced that items 11 a & b would be discussed in Closed Session.

**Item #11 – 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  
- 1 case

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

**ITEM #12 – 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 1:10 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