

Manteca, California
September 23, 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 KAMPER KUIL ROOS
ABSENT: HOLMES

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

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$380,148.17; A/P wires in the amount of \$2,706,834.03; payroll dated September 19 in the amount of \$190,280.37.
- B. Approval of the regular Board meeting minutes of September 9, 2014.

Director Holbrook noted on page 2 of the minutes, item #2, the last sentence should read as follows: Ms. Vallow noted that the wording of the core values could change. This action would only approve the process. Director Roos noted on page 10, under Troylene Vallow's comments, the word "gold" should be changed to "golf."

A motion was made by Director Kamper and seconded by Director Holbrook to accept the Consent Calendar items with the above noted corrections and passed 4 to 0 by the following roll call vote:

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

ACTION CALENDAR

Item #1 – Consider 2014 Water Supply Forecast, irrigation schedule, and Woodward Reservoir

Mr. Shields distributed the water usage reports, current reservoir conditions, projected water budget for 2014, and water diversion reports. He said the accumulated inflow for the current water year is at 338,000AF. He indicated the conservation account could end up with

approximately 65,000 to 67,000AF to carry over to next year. The District must plan for the worst, and hope for the best for next year.

Item #2 – Approve purchase of two sodium hypochlorite bulk storage tanks at WTP

Mr. Erisman stated these are the last two tanks that need to be replaced and these polyethylene tanks maintain the level of quality and consistency for our storage tanks.

A motion was made by Director Holbrook and seconded by Director Kuil to approve the purchase of two tanks from Poly Processing Company in the amount of \$65,000 plus tax and delivery fee. Motion passed 4 to 0 as follows:

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

Item #3 – Consider approval of health insurance renewals

Mr. Thornburg distributed pricing sheets for the District’s medical, dental, vision, employee assistance program, and life and disability rates for 2015. He indicated that ACWA sets aside monies each year to help pay increases to the health plans. He discussed the pricing and rate changes to health plans as well as the changes in prescription drug coverages. He said the open enrollment period for District employees will begin October 1.

This was information only and no action was taken.

Item 4 – Consider approval of Resolution #14-14-Q authorizing disposition of surplus equipment

RESOLUTION 14-14-Q

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

WHEREAS, the Board of Directors, General Manager, District Attorney, Finance and Administration Manager, IT Systems Administrator, and Finance Supervisor are not eligible to purchase or acquire surplus IT equipment; and

WHEREAS, the following IT equipment will be properly disposed of:

<u>Serial</u>	<u>Description</u>
002070	Nu QL-711V 17" Monitor
001085	Dell Dimension XPS B733r Computer
001220	Spartan MS-10342B Laptop
002005	Acer AL1717 17" Monitor
001168	Nu 19" Monitor
002055	Hyundai T91D 19" Monitor
Q78072361480	ViewSonic VA503b 15" Monitor

001196	NEC LCD1715 17" Monitor
002020	Acer AL1717 17" Monitor
U70DAABO74U18362	Hyundai U70D 17" Monitor
001243	Dell E171FPb 17" Monitor
001269	Dell Optiplex GX280 Desktop Computer
002049	HP Deskjet 6110 Printer
79050MT4A4S	Apple iPhone 4 16GB
C37GKQWCDP0N	Apple iPhone 4 8GB
DQ5HKBK2DP0N	Apple iPhone 4 8GB
86124M6GA4S	Apple iPhone 4 16GB
86124K58A4S	Apple iPhone 4 16GB
86124K7MA4S	Apple iPhone 4 16GB
86124P0WA4S	Apple iPhone 4 16GB

THEREFORE, BE IT RESOLVED that the District authorizes staff to dispose of the above listed surplus equipment.

A motion was made by Director Kuil and seconded by Director Kamper to approve Resolution #14-14-Q authorizing disposition of surplus equipment. Motion passed by roll call vote 4 to 0 as follows:

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

Item #5 – Consider 2015 water rates and adopt Resolution #14-15-B

Mr. Lindley said he would present information in October in regards to the operating costs and revenues of the Division 9 pressurized system for the current irrigation season. However, the action to reaffirm the rates must take place now in order to accommodate the annual billing schedule. If the board wishes to increase rates for the pressurized system they can take that up later. Mr. Shields stated the water committee asked staff to create a drought management plan and once completed will be brought back to the board for consideration. Director Holbrook agreed that a drought management plan is good to have in place even if the District never has to implement it.

**RESOLUTION NO. 14-15-B
RESOLUTION TO REAFFIRM CHARGES FOR
SERVICES FURNISHED BY THE DISTRICT**

WHEREAS, Irrigation District law provides authority for the District, in lieu, in whole or in part, of levying assessments, to fix and collect charges for any service furnished by the District and to prescribe reasonable rules with respect to said charges; and

WHEREAS, the District currently charges a flat rate charge of \$24.00 per acre for water service to each parcel in the District on which District-supplied surface water is used for irrigation, with a minimum charge of \$50, and

WHEREAS, the District currently charges a groundwater recharge charge of \$12.00 per acre to each parcel in the District of 10 acres or more which is subject to a recorded Irrigation Service Abandonment Agreement, and on which crops are commercially grown, and

WHEREAS, on July 31, 2012, the District approved an additional volumetric charge of \$3 per acre foot, and

WHEREAS, on July 13, 2010, the District imposed an ongoing pressurized water charge for customers served with pressurized water by the District's Irrigation System Improvement Project of \$30 per acre foot for the first 3 acre feet per acre and \$40 per acre foot for amounts in excess of 3 acre feet per acre, and

WHEREAS, the District declares the following:

- (1) The revenues derived from these said charges do not exceed the funds required to provide subject properties related services.
- (2) The revenues derived from the charges will not be used for any purpose other than that for which the charges are imposed.
- (3) The amount of a charge imposed shall not exceed the proportional cost of the service, and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that pursuant to Sections 22280 and 22283 of the Water Code, the flat rate, volumetric, groundwater recharge and pressurized water charges shall remain in effect at their current levels for 2015 calendar year as follows, subject to the exceptions noted:

RULE NO. 1-1: Subject to rule number 1-2, for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, there shall continue to be charged for the use of District water, an annual "FLAT RATE USE OF DISTRICT WATER" charge of **\$24.00** per acre, which is due on receipt and payable in two installments. The first installment is delinquent if not paid by 4:30 p.m. on December 20, 2014 and the second is delinquent if not paid by 4:30 p.m. on June 20, 2015. There shall also continue to be charged a "VOLUMETRIC USE OF DISTRICT WATER" charge of \$3 per acre-foot. Those parcels which receive pressurized water from the District's Irrigation System Improvement Project, shall, in addition, continue to pay an annual tiered rate pressurized water usage charge of \$30.00 per acre foot for the first 3 acre feet used on each acre in a calendar year and \$40.00 per acre foot for amounts in excess of the first 3 acre feet used on each acre in the same calendar year. Customers will be billed monthly for volumetric use of District water and for pressurized water and must pay the bills by the "Due Date" stated on the bill to continue receiving water service. The area served by the District's Irrigation System Improvement Project is shown in Exhibit A.

RULE NO. 1-2: Subject to rule number 3-1, for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the minimum billing (charge) for the FLAT RATE USE OF DISTRICT WATER shall continue to be **\$50.00**.

RULE NO. 2-1: Subject to rule number 2-2, for those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are used to grow commercially grown crops but which, (a) choose not to utilize District water service, and (b) which are the subject of an approved District Irrigation Service Abandonment Agreement, there shall continue to be an annual GROUND WATER RECHARGE charge of **\$12.00** per acre for the benefits derived from groundwater recharge. The groundwater recharge charge is due on receipt and payable in two installments. The first installment is delinquent if not paid by 4:30 p.m. on December 20, 2014 and the second is delinquent if not paid by 4:30 p.m. on June 20, 2015.

RULE NO. 3-1: Those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are not used to grow crops or which do not utilize District water service may be exempted from the District FLAT RATE USE OF DISTRICT WATER and those separate parcels which do not utilize District water service and which are not used to grow crops may be exempted from the "GROUND WATER RECHARGE" charges, provided the owners of such lands enter into an "Irrigation Service Abandonment Agreement" with the District covering same and provided further, there are no outstanding amounts owed to District for water service on such lands.

Mr. Emrick noted on Rule #2-1 the words "**Subject to rule number 2-2**" needs to be eliminated from this item.

A motion was made by Director Holbrook and seconded by Director Kuil to adopt Resolution #14-15-B with the change as noted above. Motion passed by roll call vote 4 to 0 as follows:

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

Item # 6 – Consider approval of a joint board meeting and tour of groundwater recharge facilities with Semitropic on October 9 in Wasco, California

Mr. Shields explained if three or more board members attend this meeting, the agenda will have to be posted at the District and at the Semitropic office. He said Semitropic has invited the SSJID board to come down for a tour and a get-acquainted visit. He informed the board that the cost of their trip would need to be claimed on their Form 700.

Directors Roos and Kuil stated they would like to tour the facilities and Director Kuil said that Director Holmes had mentioned that he would like to go. Ms. Garcia will contact Semitropic and let them which directors are willing to attend.

Item #7 – Consider board meeting holiday schedule for November and December 2014

It was the consensus of the board to hold only one meeting on November 18 and one meeting on December 16.

Item #8 – Consider amendment to Irrigation Service Abandonment agreement for three separate parcels belonging to: Fenton & Winifred Hill, APN 228-140-12; Mike and Amy Westeyn, APN 228-140-13; and Ming Huang, APN 228-140-14

Mr. Bologna said that Mr. Weststeyn will coordinate with his neighboring properties and wants to receive water in the Spring 2015. Director Holbrook said he believed the District was holding all applications to amend service abandonments until the new policy was implemented. Director Kamper noted that this application was received prior to approval of the new policy. Director Holbrook asked that #5 of the staff recommended conditions of approval be changed from “**It is recommended**” to “**It is required**” that a recorded agreement is established between parcels to transport water across private property.

A motion was made by Director Kamper 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; do not waive the one year notice requirement; and impose fees in accordance with the provision of the recorded service abandonment agreement and to make the change to item #5 of the agreement as mentioned above. Motion passed 3 to 1 as follows:

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

Item 9 – Consider amendment to Irrigation Service Abandonment agreement for Kevin and Christina Van Laar, APN 245-250-12

Mr. Bologna stated that Mr. Van Laar is not asking for the one year waiting period to be waived and that he wants water for the 2015 or 2016 irrigation season. Unless a finding is made that an emergency exists to receive surface water sooner, the applicant will need to wait 1 year to be eligible to receive water. Director Roos asked why Mr. Van Laar could not take water off the main canal. Mr. Catanzarite said the District has not recently allowed customers to tie into the main canal because it is not an irrigation canal but rather a water distribution canal.

A motion was made by Director Holbrook and seconded by Director Kuil to approve the amended Irrigation Service Abandonment agreement subject to staff’s recommendations and subject to the conditions specified in the revised policy for rescinding irrigation service abandonment. Motion passed 4 to 0 as follows:

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

Item #10 – Consider amendment to Irrigation Service Abandonment agreement for Leonard Lovalvo, APN 249-080-20

Mr. Bologna explained that this property has been signed off since May 13, 2014 by the previous owner, Frank & Carmela Scarlata. The new owner, Leonard Lovalvo, would like to sign back on to receive water this year. Mr. Shields stated that at Director Holmes request, he went to speak with Mr. Lovalvo and the District has not provided water to this property for approximately 2 years. Mr. Catanzarite said it is best not to deliver water to this property until new facilities that conform to the District’s standards have been installed.

Mr. Lovalvo addressed the board stating that he was not aware the property he purchased had been signed off for water delivery until 5 days prior to escrow closing. He believes that the existing pump and sprinkler system is operational and should be capable of delivering water. He said the trees on the property are in desperate need of water and are in jeopardy of dying if they do not receive the last irrigation this year. He has requested the District consider his application an emergency and consider waiving the 1 year waiting period and allow him to receive water immediately and that consideration be given to the fact that the property was just recently signed off.

Director Holbrook said the District needs to stay within the requirements of the revised policy to not waive the 1 year waiting period. Director Kuil does not believe there would be a problem with Mr. Lovalvo taking water using his present facilities. Mr. Shields said this property is in Director Holmes’ district and Holmes believes it is not ready to be irrigated.

A motion was made by Director Holbrook and seconded by Director Kamper to approve the amended Irrigation Service Abandonment agreement subject to staff’s recommendations and subject to the conditions specified in the revised policy for rescinding irrigation service abandonment, however the 1 year waiting period will not be waived. Motion failed with a 2 to 2 vote as follows:

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

Item #11 – Consider extension of auditor engagement

Mr. Lindley stated the three year engagement with Richardson & Company, LLP expired with the completion of the District’s 2013 annual financial statements. He requested authorization to extend their engagement by two years. The fees proposed for the audits of 2014 and 2015 financial statements are \$25,900 and \$26,900 respectively. He said the District is consulting with these auditors in regards to annexation transactions and debt service coverage ratio.

A motion was made by Director Holbrook and seconded by Director Kuil to approve a three year extension with the auditors. Mr. Lindley said the auditors’ proposal does not provide fee quote for a third year but he expected Richardson & Company would agree to a third year fee of

\$27,900. Director Holbrook stated that his motion includes approval of the third year fee being \$27,900. Motion failed with a 2 to 2 vote as follows:

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

A motion was made by Director Holbrook and seconded by Director Kamper to approve two additional years as recommended by staff and authorize staff to sign the engagement letter for the 2014 and 2015 audits. Motion passed 3 to 1 as follows:

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

Item #12 – August 2014 Financial Statements

Director Kamper asked if there were any plans to adjust the number on debt service coverage ratio. Mr. Lindley explained that Mr. Bologna has been working with land developers to obtain agreement for the District to build improvements which are the responsibility of the developers, for which the District would be reimbursed from the developers. The District is also working on annexation transactions. Mr. Lindley said he will present a resolution at the next board meeting to authorize a partial bond defeasance. This item was for information only and no action was taken.

Item #13 – August 2014 Investment Reports

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

A motion was made by Director Holbrook and seconded by Director Kuil to add an emergency item #16 to the agenda to discuss in open session two humanitarian water transfer requests that have arisen within the last 24 hours. Adjournment would be re-numbered as Item #17. Motion passed 4 to 0 as follows:

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

Item #16 – Consider emergency water transfer

Mr. Shields stated the City of Porterville is out of water and the State Water Resources Control Board is paying \$500,000 to buy bottled water. He has a call into the SWRCB to inquire if they want to buy treated water from the Water Treatment Plant in bulk trucks.

A motion was made by Director Holbrook and seconded by Director Roos to authorize the General Manager to negotiate a humanitarian water transfer with the SWRCB, City of

Porterville, or other community in the same situation to provide emergency water on terms the General Manager determines to be reasonable through year end. Motion passed 4 to 0 as follows:

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

Mr. Shields said that he was also contacted by Westlands Water District in regards to a water transfer. The Bureau has agreed to hold as available until December 1 the amount of water that the Tuolumne Utilities District agreed to buy but has not yet taken as of September 30. The District could possibly transfer that unused water to Westlands Water District. Director Kuil disagreed and recommended not do make such a transfer to Westlands this year.

A motion was made by Director Holbrook and seconded by Director Roos to authorize the General Manager to negotiate a humanitarian water sale using the water that was left over by Tuolumne Utilities District. Motion failed 2 to 2 as follows:

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

Item #14 - Communications

Director Holbrook attended the Advisory Water Commission meeting where Dr. Mel Lytle gave a presentation on weather forecast. They also discussed the water curtailment order. They believe if the Delta is not farmed more water will be lost; 16 to 20% of water is saved by farming. Mountain House had a water savings of 26% from August 2013 to August 2014.

Director Kuil attended the Eastern San Joaquin County Groundwater Basin Authority meeting where they discussed two groundwater bills. SSJID applied for the drought grant and results should come in at the beginning of October.

Director Roos spoke with his brother who indicated the District could possibly gain a 2% increase in precipitation from cloud seeding.

Ed Erisman, Water Treatment Plant Manager

- The switchgear maintenance is scheduled for the week of September 29. The WTP will be down for 8 hours each day for maintenance. Staff is working with the cities to regulate their flow evenly during these down times.
- A new high range chlorine analyzer has been installed for the high dose recovery cleans of the Zenon modules. This unit was purchased with a 30-day trial period at which time, if it does not meet our needs, it can be returned for a full refund. To date it appears to be working well. This analyzer station is part of the automatic recovery cleans process that

has never worked correctly because of the lack of an accurate analyzer for these high chlorine doses of 500 mg/L.

Don Battles, Utility Systems Director

- He attended the Northern California Power Agency conference. Mr. Ron Nichols was a keynote speaker who stressed that all utilities need to work together.

Director Holbrook distributed a note from Ms. Kimberly Perez who was crowned 2014 Miss Rodeo on the River and represents Give Every Child A Chance. She thanked SSJID for its support and generous donation.

Sam Bologna, Engineering Department Manager

- There are no new conservation fundings.
- New projects for 2015 are the B15 and adding new pipelines this winter.
- He attended the CASQA conference and took a field tour of the Echo Park project that was converted to a stormwater facility which solved the problem of water quality issues in that area. The SMURF project took stormwater and repurposed the water for landscaping uses. He said it is interesting to see what other cities are doing with stormwater.

Director Roos reminded the board that the EBMUD will host their annual BBQ at Pardee on Friday, October 3.

Jeff Shields, General Manager

- He attended the NCPA conference; he noted that Jim Pope who took a leadership role with the November Prop 16 campaign is leaving NCPA.
- Attended the Chief of Police “Night Among Heroes” ball on Saturday, September 20.
- SSJID sponsored the Stanislaus River Clean Up on Saturday, September 20. Togo’s provided lunch and gave a \$25 discount. There were 35 volunteers who participated in the cleanup. In total, 105 garbage bags were filled. Various items such as a shopping cart, golf cart top, batteries, tricycle, bike, garbage tote, deflated rafts, inner tubes and other floating devices along with many bottles were picked out of the river. Ralph and Ginny Roos, John and Denise Holbrook, Steve Emrick, Jeff and Mary Shields participated. Ted Johnson also helped and the Ripon Fire Department donated bottled water. The Stanislaus County Resource Conservation District donated garbage bags, gloves, and promotional materials. The event was a success and SSJID was well represented in the local community.
- Manteca Successor Agency Oversight board meets today at 2:00 p.m.
- San Joaquin Farm Bureau Water Committee meets this evening at 5:30 p.m. at the Stockton office.
- District received a Resolution of Appreciation from Tuolumne Utilities District for our humanitarian water transfer.
- Family Farm Alliance dues of \$1000 will be paid unless the board says otherwise.
- ACWA JPIA 35th anniversary meeting is set for Monday, December 1 as part of the ACWA conference in San Diego.

The following encroachment agreements were approved:

- Carol A. Lyons, Lateral “Rf”

It was announced that items 15 a & b would be discussed in Closed Session.

Item #15 – 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 #17 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Holbrook and seconded by Director Kamper to adjourn the meeting at 12:22 p.m. Motion passed 4 to 0 as follows:

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

ATTEST: _____
Betty Garcia, Executive Secretary