

Manteca, California
October 8, 2013

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, Sam Bologna, Engineering Department Manager and Executive Secretary Betty Garcia.

Director Roos asked for public comment and 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 \$297,302.18; A/P Wires in the amount of \$206,615.77 and payroll for October 4 in the amount of \$189,619.12.
- B. Approval of Board Meeting Minutes of September 24, 2013.
- C. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Pete Winters, APN 208-060-13 and 208-060-14.
- D. Approval of consent to SSJID's entry of property to read and owner's agreement to maintain flow meter, Winters Farming Co., L.P., APN 228-030-42.

A motion was made by Director Kuil and seconded by Director Holbrook to adopt the Consent Calendar items by the following roll call vote:

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

ACTION CALENDAR

Mr. Bologna asked that items #1 through #4 be removed from the action calendar as they had been approved at a previous meeting.

Item #6 – Consider request of conceptual approval to plant trees within an existing flood easement

Mr. Bologna noted that Mr. Alldrin wants to plant trees within the upper reaches of the easement area and has no plans to alter the topography. Mr. Emrick expressed concerns that the agreement

be with the land rather than with just the current land owner to protect the District's interest if the land is sold in the future. A lengthy discussion followed.

A motion was made by Director Holbrook and seconded by Director Kuil to approve staff's recommendations as follows:

“Consider issuance of an encroachment agreement with a defined area specified in the encroachment agreement. The defined area for the encroachment could be based upon a draft easement area that was prepared previously that described a 300 foot wide strip of land parallel to the existing ponds. The encroachment agreement would consist of language that would allow for trees to be planted outside of that 300 foot area subject to the terms and conditions of the agreement that would hold the District harmless for any damage attributed to flooding by the District. If need be, the agreement could contain a provision that would revoke the approval should the land be transferred or sold to others, with an option for renewal by new owners. All costs shall be the responsibility of the owner. The agreement would also cover any planned improvements within the drainage ponds such as the addition of a weir at the pond terminus.”

Motion passed unanimously.

Item #11 – Consider District Health Insurance renewals

Mr. Thornburg said that quotes from United Health Care for 2014 represent a 38% increase over current rates and this increase is due to the District's claims experience. Upon analysis of options available, the Health Insurance Advisory committee recommends enrollment in the ACWA health plans because of plan cost, similarities to current offerings (the same or better) pool size, and premium history. He stated the PPO plan is an 80/20 plan rather than the current plan which is 90/10. Director Kamper said he would like to see the District implement a wellness incentive plan for its employees.

A motion was made by Director Holbrook and seconded by Director Kamper to approve the recommendation of the Health Insurance Advisory committee which is as follows:

- Medical – Enrollment in ACWA Anthem CalCare HMO, Anthem Classic PPO, and Kaiser Traditional
- Vision – Vision Services Plan provided by ACWA
- Dental – Self-insured, administered by Stanislaus Foundation for Medical and Dental Care

Motion passed unanimously.

Item #12 – Consider insurance broker agreement renewal

Ms. Simon described the services that she provides to the District's employees as it relates to their health insurance. Director Holbrook said that he prefers to enlist the services of Ms. Simon on an hourly rate rather than an annual agreement and Director Kuil agreed. Director Holbrook exited the meeting at this time. After a lengthy discussion, it was recommended by the Board that a new proposal based on an hourly rate be brought back to a future meeting for consideration.

Item #9 – Consider analysis of revenues versus expenses for Division 9

Mr. Lindley distributed a handout with three billing scenarios for the pressurization revenues and expenses. He said the current rates do not cover the costs of operating the pressurized system. He stated the Board has two alternatives for action on Division 9 pressurization rates in the present meeting:

- a) Re-adopt the rates as they were first adopted pursuant to a Proposition 218 process which would mean that both the \$30 and the \$40 rate tiers would be effective next season as the one year deferral of tier 2 now expires.
- b) Re-adopt the rates and approve another one year deferral of the \$40 tier two rate.

Lindley also recommended that the Board consider whether to direct staff to bring rate increase proposals to the Board in the near future. He described a schedule that would be needed to enact new pressurization rates for next irrigation season. Director Holmes suggested implementing the two tier rates which include the \$40 second tier rate, and to defer the rate increase to the 2015 irrigation season. He also suggested the District perform a survey of what growers pay for pumping from private sumps to compare to new rates.

Director Kamper suggested one Proposition 218 hearing could be held to consider a four year schedule to increase the rates in stages. No action was taken on this item.

Item #10 – Consider approval of 2014 Water Rates using Tier II rate implementation and adoption of Resolution #13-16-B

Ms. Giuntoli noted this Resolution updates the implementation of the Tier II rate for Division 9 pressurization. She also explained that this resolution enacts the volumetric rate as a collectible amount for the first time. She stated that she would bring a revised collection policy for the volumetric billings.

A motion was made by Director Kamper and seconded by Director Holmes to adopt Resolution #13-16-B as follows:

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 13-16-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 Ground Water 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 Division 9 Pressurized Water charge for customers served with pressurized water by the District's Division 9 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, Ground Water Recharge and Division 9 Pressurized Water charges shall remain in effect at their current levels for the 2014 water year.

PASSED AND ADOPTED this 8th day of October, 2013 by the following roll call vote:

AYES: HOLMES KAMPER ROOS
NOES: KUIL
ABSENT: HOLBROOK

Item #5 – Consider sole source quote to proceed with excavation if necessary

Mr. Hubkey said JDH Consultants discovered a short at the insulation joint on the main transmission line. The pipe joint may need to be dug up to see if the problem can be repaired.

A motion was made by Director Holmes and seconded by Director Kuil to accept the quote from Preston Pipe in the amount of \$15,000 to \$20,000; allow staff to review results from Corpro audit and review the Corpro results before proceeding. If repairs are needed, allow staff to work with General Manager for approval. Motion passed unanimously.

Mr. Hubkey reported that staff issued a letter to Woodward Reservoir and to the Director of Stanislaus Parks and Recreation of "No Bodily Contact" effective October 17. He said one of the WTP operators attended the annual GE User's Conference and brought back good information. He indicated a particular interest in the RO process to neutralize the citric acid which is not working as anticipated. Mr. Erisman gave a tour to the City of Sacramento Wastewater staff.

Mr. Hubkey reported his retirement from the District effective March 1, 2014. He said the plant serves the community well. He thanked Steve Emrick for his guidance and thanked Jeff Shields

for supporting the decisions he has made in making sure the Water Treatment Plant operates efficiently. He thanked the Board and previous Board of Directors for their support and work in getting the Water Treatment Plant to be successful in providing quality water to the region.

Item #7 – Consider approval of asphalt seal coating for District Headquarters and Control Room facilities

Mr. Bologna stated that Golden State was the lowest bidder for the project and that striping would be performed by a separate contractor. The work will be in three separate contracts.

A motion was made by Director Kamper and seconded by Director Holmes to award the contracts to the lowest bidder Golden State in a total amount not to exceed \$60,000. Motion passed unanimously.

Item #8 – Consider approval of Oleander Estates Unit #1

Mr. Bologna said there are no District facilities located within this phase of development that require replacement, however there is a service valve that will need to be abandoned and a service abandonment agreement signed, and encroachments that are being proposed that will need to be covered by an encroachment agreement. Also, permanent dewatering is not currently covered by the existing storm drainage agreement with the City. As such, approval for dewatering will be subject to amendment of our agreement with the City to accept permanent groundwater discharge.

A motion was made by Director Holmes and seconded by Director Kuil to authorize conditional approval and signature of the following subject to compliance with Engineering Department requirements:

- a) Final map
- b) Improvement plans
- c) Developer's agreement
- d) Irrigation service abandonment agreement
- e) Encroachment agreement

Motion passed unanimously.

Item #13 – Communications

Director Kuil attended the SWRCB board meeting at the Cabral Ag Center which was well attended. Director Holmes thanked Jim Atherstone for writing a really good report. Director Kuil said the annual Water Users Conference was coming up on January 22. He said the Tri-Dam Advisory Committee discussed their new budget.

President Roos asked for managers' reports.

Bere Lindley, Finance/Administration Manager

- He discussed the proposed records management program for the District and said he engaged the services of a consultant for the needs analysis. The program will include a retention policy, an electronic component, organizational schemes for files, physical accommodations, and ongoing maintenance.

- He also discussed the need to revise the District's development fees and how the current system does not work. Robin arranged for staff to meet with John Beckman from the BIA who had a lot of good ideas related to Proposition 26 and its constraints and the fees need to be cost based. The next major step is to bring a new fee proposal to the Board.

Troylene Sayler, Communications Coordinator

- She has four tickets available for the Bay Delta presentation being offered by KUOP and Capitol Public Radio at the Sheraton Grand Hotel in Sacramento on October 15.
- Last weekend staff worked an information booth at the Pumpkin Fair in Manteca and will work the Ripon Main Street event on October 19.
- Manteca Chamber Coffee will be held at SSJID on October 30 at 8:00 a.m.
- Manteca Unified School District AGVenture Day will be on Thursday, November 7 and she encouraged the Board to attend.
- The Manteca Senior Breakfast is on November 16.

Sam Bologna, Engineering Department Manager

- Conservation Program booklet is being revised to reflect previous Board action.
- In Division 9 the turnout on Olive is complete and the Brocchini gate has been installed.

Jeff Shields, General Manager

- He distributed the water reports for September 28 and October 5 and said final irrigation deliveries are set for Wednesday, October 16. He said the Woodward Reservoir was filled to the legal limit of 210 feet as of September 30.
- Bere Lindley calculated the total water use and allocations based on Tri-Dam and USBR data for the water year ending September 30. Total allocation was 572,804AF based on formula water (1988 Agreement). SSJID and OID each received 286,402AF. OID used 247,496 plus 40,000 = 287,496AF meaning OID exceeded their allocation by 1,094 AF.
- An unscientific forecast of wet, cold winter says Tom Stienstra, reporter for SF Chronical (Nature's signs point toward a big winter).
- The fall run chinook salmon migration has started and is well ahead of last year's record number. It is too early to say this will be another record year but early indications look very good.
- Continued work on scope of work for the Pressurized Irrigation Project Evaluation program.
- Budget workshop is scheduled for Friday, October 25. This is normally a two-day exercise but after last year staff believes it could be accomplished in a long single day.
- Vehicle accident involving the night ditchtender driving his truck into a canal on Division 4. District employee was not injured and the truck is being inspected.

General Counsel announced the Board would be discussing items 14 a & c under Closed Session.

ITEM #14 – CLOSED SESSION

14. a. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code
Section 54956.9 – 2 cases

- c. Conference with Real Property Negotiator
Property – Water
Negotiating Parties – District and SemiTropic Water Storage District
District Negotiator – General Manager
Under Negotiations – Price and terms of payment

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

ITEM #15 - ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kamper and seconded by Director Kuil to adjourn the meeting at 12:36 p.m. Motion passed unanimously.

ATTEST: _____
Betty Garcia, Executive Secretary