

Manteca, California
October 11, 2016

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at 9:00 a.m. President Holmes called the meeting to order and Director Kuil 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 Peter Rietkerk, Outside Counsel Don Geiger, and Executive Secretary Betty Garcia.

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$208,030.60; A/P wires in the amount of \$211,271.54; payroll dated September 30, 2016 in the amount of \$198,351.97.
- B. Approval of the regular board meeting minutes of September 27, 2016.
- C. Approval of encroachment for PG&E at Union Ranch Unit #9 in Manteca.
- D. Approval of consent to SSJID's entry of property to read and to maintain flow meter for Daryll & Diane Quaresma, APN 228-060-21.

A motion was made by Director Roos and seconded by Director Kuil to approve the Consent Calendar, as submitted. The motion passed 4 to 0 by the following roll call vote:

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

ACTION CALENDAR

Item #1 – Consider adoption of Resolution #16-13-W opposing the 2016 revised Substitute Environmental Document (SED) and Water Quality Control Plan update proposal

Mr. Peter Rietkerk, General Manager, stated the Resolution serves to make a public statement that the District opposes the State Water Resources Control Board's revised Substitute Environmental Document (SED) which proposes changes to the current Bay-Delta Water Quality Control Plan. He said the revised SED is the culmination of over 10 years and \$70 million of effort. The document proposes to release approximately 40% of what would naturally flow down tributary watersheds like the Stanislaus River during the February – June period, which means that reservoirs on those watersheds would be restricted from storing water until 40-

percent of Unimpaired Flows is bypassed down the River. The SED is detrimental to the entire region. Approximately \$1.8 million of water storage would be taken away. The water supply limitations also threaten deliveries to the Cities of Escalon, Lathrop, Manteca, and Tracy from the Nick C. DeGroot Water Treatment Plant. Director Holmes asked if the public comment period had been extended and Mr. Rietkerk said it had been extended until January 2017. He noted that workshops throughout the region will be held for public involvement and that he will be encouraging the Cities to support the District in this effort.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION 16-13-W
RESOLUTION OPPOSING THE STATE WATER RESOURCES CONTROL BOARD
2016 REVISED DRAFT SUBSTITUTE ENVIRONMENTAL DOCUMENT AND
CALLING FOR SUSTAINABLE SOLUTIONS FOR THE STANISLAUS RIVER AND
THE REGION'S ECONOMY**

WHEREAS, the District, along with its' partner agency Oakdale Irrigation District (together "Districts"), own certain water rights on the Stanislaus River including pre-1914 appropriative rights to divert water and various post-1914 appropriative rights to store water from the Stanislaus River in various reservoirs; and

WHEREAS, the Districts also own and operate reservoirs on the Stanislaus River, built for the purposes of regional water supply and hydroelectric power production, which together with its senior water rights, have provided significant economic stability and vitality for the agricultural and urban communities within our local region; and

WHEREAS, the South San Joaquin Irrigation District has successfully delivered surface water to the region of South San Joaquin County for over 107 years, providing the area with a high-quality, reliable surface water supply that has contributed to the economic vitality and strength of the local economy; and

WHEREAS, in 1995, the Cities of Escalon, Lathrop, Manteca, and Tracy came together with the District to develop the South County Water Supply Project, culminating in the construction and operation of the Nick C. DeGroot Water Treatment Plant and the delivery of treated surface water to the region's residents; and

WHEREAS, the State Water Resources Control Board's (SWRCB's) Bay-Delta Plan, Phase 1 Draft Substitute Environmental Document (SED) issued in December 2012 proposed to require the Stanislaus, Tuolumne, and Merced rivers release 35 percent of unimpaired flows from February to June each year for environmental benefit; and

WHEREAS, a revised Draft SED was issued on September 15, 2016, and is currently being circulated for public comment; and

WHEREAS, the SWRCB, after a hearing in March 2013 and submittal of comments regarding the adequacy and sustainability of the SED, has now revised and increased the recommendations

of the Draft SED to 40% unimpaired flows, with the ultimate intention of Finalizing the SED and updating the Bay-Delta Water Quality Control Plan with its Board for adoption at a date to be determined; and

WHEREAS, flows described in the SED will create “significant and unavoidable” lasting impacts that will harm the socioeconomic welfare of those within Stanislaus, San Joaquin and Merced counties; and

WHEREAS, water supply impacts of flows described in the SED include the loss of hundreds of thousands of acre-feet of surface water that is used to keep agriculture – the region’s economic engine – stable. This loss of water would result in the fallowing of some of the most prime farmland in California; and

WHEREAS, groundwater impacts of flows described in the SED include increased groundwater pumping at a time when California is working to implement the landmark Sustainable Groundwater Management Act. The SED estimates additional and significant groundwater reliance in the local East San Joaquin groundwater subbasin, a basin that is already identified as critically overdrafted in San Joaquin County. The reduced surface water deliveries proposed in the SED will severely hamper the ability to conjunctively use surface water deliveries on farms to provide adequate groundwater recharge; and

WHEREAS, power impacts of flows described in the SED include public power agencies being resigned to generating more hydropower at a time of low demand, meaning less water is available to generate hydropower in summer when power demand is at its peak. This has economic impacts to public power agencies, and such impacts bear a direct relation to local customer utility rates; and

WHEREAS, there is reasonable and significant doubt that the flows described in the SED will benefit native fish populations or promote ecosystem restoration. The SED focuses narrowly on flows as a solution to environmental concerns while ignoring non-flow alternatives such as predator suppression and fish habitat restoration. Such non-flow management measures are often less costly and more effective; and

WHEREAS, the cities of Escalon, Lathrop, Manteca, and Tracy within San Joaquin County have made significant investments in diversifying their drinking water sources, to include the use of water from the Stanislaus River. With the implementation of the SED, the use of river water for drinking water is threatened, leaving local communities even more vulnerable to the impacts of drought and potentially stranding significant investments in these vital assets.

NOW THEREFORE BE IT RESOLVED AND ORDERED, the State Water Resources Control Board should pursue a comprehensive solution which takes into account, rather than dismisses, the impacts listed above. This solution must prioritize non-flow measures to protect

native fish species, such as predation reduction programs, before requiring flow increases that would threaten the economic vitality of our region's counties, cities and small family farms.

A motion was made by Director Roos and seconded by Director Kamper to adopt Resolution #16-13-W opposing the State Water Resources Control Board 2016 revised draft Substitute Environmental Document (SED) and calling for sustainable solutions for the Stanislaus River and the region's economy. The motion passed 4 to 0 by the following roll call vote:

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

Item #2 – Update regarding the District's Mission, Vision, and Values Statement Development

Mr. Peter Rietkerk stated that workshops composed of board and staff members has completed two weeks of the Mission, Vision, and Values development process for SSJID. He said the workshops haven been very engaging and the participants indicated the value they believe this process will provide to the overall Strategic Plan and to SSJID as an organization. He introduced Mr. Leonard Falter, of FTM Leadership Services, gave an update to the Board on the workshop process, participation, and the progress the group has made toward development of the key organizational statements.

Mr. Falter informed the board that the group was formed with a good cross section of employees who have given good feedback. He said it is the goal to pull irrigation employees, Water Treatment Plant employees, and Administration employees together for one goal.

Director Holmes is a participant in the group and said the workshops have been interesting, challenging, and educational.

Item #3 – Consider action on bids for the treated water reservoir #2 repair

Mr. Ed Erisman, Water Treatment Plant Manager, stated that bids to repair areas of corrosion inside one of the treated water reservoirs have been received. The proposal went out to ten companies and only three responses received. There was a substantial difference in one of the bids received; it was much lower and did not include the appropriate number of people needed for the Standby Rescue Personnel required by OSHA. The Request for Proposal was unclear and not specified in the bid documents.

A motion was made by Director Kamper and seconded by Director Roos to correct the inconsistency and maintain a fair and equitable bid process, staff is permitted to:

- Reject all bids
- Revise the Standby Rescue requirements
- Re-submit the request for proposals to the painting contractors

The motion passed 4 to 0 by the following vote:

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

Item #4 – Consider approval of revised job descriptions for employees within the management unit

Mr. Rietkerk noted at their September 13, 2016 meeting, the Board had approved Bryce Consulting to provide a salary survey for both the management unit and IBEW represented employees. As a first step in the salary survey process, he said job descriptions are typically reviewed and updated as necessary to adequately reflect current job responsibilities. Once the updated job descriptions are approved by the Board, they are reviewed by the salary survey consultants and matched with comparable job descriptions and/or classifications. The following management unit positions have been updated, reviewed by Department Managers and the General Manager, and are before the Board today for review and approval:

- Accounting and Customer Services Manager (formerly Finance and Customer Services Supervisor)
- District General Counsel
- Environmental Health and Safety Officer
- Executive Secretary/Clerk of the Board (formerly Executive Secretary)
- Laboratory Coordinator/Administrator
- Public Relations Director (formerly Communications Coordinator)
- Water Treatment Chief Plant Operator (formerly Water Treatment Lead Operator)

A motion was made by Director Kuil and seconded by Director Kamper to approve the job description updates for inclusion in the 2016 salary survey. The motion passed 4 to 0 by the following vote:

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

Item #5 - Consider approval of extending the Western Area Power Agreement and adoption of Resolution #16-12-E which documents that action

Mr. Rietkerk stated that Western Area Power has requested that their contract with SSJID to market surplus power from its generation be extended, as the current contract expires in 2020.

**RESOLUTION NO 16-12-E
AUTHORIZING AMENDMENT TO CONTRACT WITH WESTERN AREA POWER
ADMINISTRATION**

WHEREAS, the Sierra Nevada Region of the United States Department of Energy’s Western Area Power Administration (“Western”) markets surplus power from its generation assets (“Base Resource”);

WHEREAS, Western and the District are parties to a full load service contract dated December 3, 2014, which expires on September 30, 2020 (“Contract”); and

WHEREAS, Western and the District desire to extend the term of the Contract to December 31, 2024, in accordance with Amendment 1 to the Contract, a copy of which is attached to this resolution (“Amendment”),

NOW, THEREFORE BE IT RESOLVED AND ORDERED that:

1. The foregoing findings are true.
2. The District’s General Manager is authorized to execute the Amendment in order to extend the term of the Contract to December 31, 2024.
3. The District’s General Counsel is authorized to attest to the General Manager’s signature.
4. The General Manager is directed to take such actions as may be necessary for the District to perform its obligations in the Contract.

BE IT FURTHER RESOLVED AND ORDERED that the General Manager or his designee is authorized and directed to take all actions and execute such documents as may be necessary to accomplish the foregoing.

A motion was made by Director Roos and seconded by Director Holmes to correct item #2 of the Resolution to extend the contract to December 31, 2024, and to adopt Resolution #16-12-E by the following roll call vote:

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

Item #6 – Consider amendment of the 2016 Budget

Mr. Bere Lindley, Assistant General Manager, stated that SSJID will end 2016 with an extremely high debt service coverage ratio because of stronger revenues from hydroelectric generation and water transfers. As a precautionary measure to help assure the minimum debt service coverage for 2017, the staff proposes to undertake certain projects during 2016 instead of 2017. This would reduce expenses and increase debt service coverage during 2017. The effect on 2016 would be inconsequential because 2016 revenues are so strong. Another benefit would be to avoid some significant price increases.

A motion was made by Director Kamper and seconded by Director Kuil to approve the proposed items for the budget amendment. The motion passed 4 to 0 by the following vote:

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

Item #7 – Presentation of Financial Statements for August 2016

Item #8 – Presentation of Investment Reports for August 2016

Mr. Lindley informed the Board that he had no formal report for the Financial Statements and Investment Reports but that he was available for questions. No action was taken on these items.

Item #9 – COMMUNICATIONS

Director Kamper reported there could possibly be an issue for a few growers with the new moss control products that were used. Staff will continue to monitor this.

Director Kuil stated there is a GBA and SGMA work group meeting tomorrow. He reported the Tri Dam committee was held last Monday, October 3. Discussion regarding the purchase of four (4) transformers ranging from \$2 to \$2.4 Million. Also discussed the need for more safety measures.

Ed Erisman, Water Treatment Plant Manager

- The M2 tank repainting was completed on October 10.
- WTP staff are completing a project to re-plumb the lime slurry loop and dosing system. The original routing of these lines ran through the Dissolution Chambers in the pre-treatment section of the plant. These chambers are 20 feet deep with limited access and larger mixer props which make any work done inside very dangerous. Re-routing the flexible rubber tubing overhead of water quality stations 3A and 3B so that any future work can be done safely and without additional safety standby staff required.
- The Tracy Booster Station variable frequency drive problem update: after trying the re-built gate driver cards to no success, staff purchased new cards for \$1,700 each. The three new cards were installed and pump #2 is now back in operation. There is still a problem of the Rubicon drives being obsolete and parts will only be available for another year. Staff is researching options for replacement of these drives.

Bere Lindley, Assistant General Manager

- Will be bringing a proposal for the board to consider remodeling the boardroom. Director Holmes asked if lighting and noise could be included in the proposal. Mr. Lindley said yes those issues can be addressed. He stated staff is considering furniture that can easily be moved and reconfigured; that is more versatile.

Peter M. Rietkerk, General Manager

Water Update

- Reviewed water usage reports for weeks starting 9/25 and 10/2 that were distributed.
- Reviewed SED impacts on OID/SSJID Diversions and the 1987-1992 drought.

- New Melones storage is currently at 527,559 AF on 10/16.
- Rain is in the forecast for Friday, October 14; expected to bring between 0.50 to 0.70 inches of rain to the valley floor and potentially up to 2 inches of precipitation in the Stanislaus River Watershed.
- Irrigation season ends this Friday, October 14, 2016.

SGMA Update

- SSJID discussions with the Cities of Ripon, Manteca, and Escalon are ongoing. An attorneys group of the Cities is expected to meet this Thursday, October 13, to develop a draft proposal in response to the District's draft memorandum of agreement. The City of Manteca has indicated that they are leaning toward developing their own GSA, but will continue in discussions with SSJID. In addition, the City of Escalon received direction from Council to continue discussions with SSJID, but that they have a keen interest in preserving the right to own and operate their own groundwater facilities. SSJID is expecting to schedule a follow-up to the attorneys meeting next week.

Meetings/Events/Other

- September 29, October 6 – Strategic Planning Mission, Vision, Values development sessions
- October 4 – Stanislaus County Farm Bureau Meeting and SED Presentation
- October 5 – SJTA Meeting
- October 10 – Nick C. DeGroot Water Treatment Plant Operations Committee meeting
- October 12 – GBA Meeting, San Joaquin County
- October 18 – CMUA Irrigation District Caucus
- October 24 – SJTA Commissioner's Meeting, 11:00 a.m. at Turlock Irrigation District

Mr. Geiger reported that all items would be discussed in Closed Session.

Item #10 – Closed Session

- a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9
- 4 cases
- b. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Section 54956.9
- Phase 1 hearings on San Joaquin River/Delta Water Quality Control Plan before the State Water Resources Control Board
- c. Conference with Legal Counsel – Existing Litigation
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
- 3 cases

Case Name: Pacific Gas & Electric Company vs.
San Joaquin LAFCo
Superior Court for San Joaquin County
Case No. 39-2015-00321743-CU-JR-STK
Case Name: SSJID vs. Pacific Gas & Electric Company,
A California Corp., et al.
Filed July 7, 2016
Case No. STK-CV-UED-2016-0006638
Case Name: California Curtailment Cases
Superior Court for Santa Clara County
Case No. 4838

- d. Threat to Public Facilities
Government Code Section 54957(a)
Consultation with Mason Security Services, Inc. and District Counsel
- e. Conference with Real Property Negotiators pursuant to
California Government Code Section 54956.8
Property: Water
Agency Negotiator: General Manager
Negotiating Parties: SSJID, San Luis & Delta Mendota Water Authority, and
Department of Water Resources
Under Negotiation: Water transfer price and terms
- f. Public Employee Performance Evaluation
- Finance and Customer Service Supervisor
 - Executive Secretary
 - Communications Coordinator
 - Water Treatment Plant Lead Operator

Upon their return from Closed Session, it was announced that there were no reportable actions taken in Closed Session.

Item #11 – 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 12:18 p.m. The motion passed 4 to 0 with the following vote.

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

ATTEST: _____
Betty Garcia, Executive Secretary/
Clerk of the Board