

Manteca, California
November 13, 2012

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 Holbrook called the meeting to order and Director Kuil led the flag salute. Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KUIL
ABSENT: KAMPER ROOS

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

Director Holbrook asked for public comment. There was no public comment.

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

CONSENT CALENDAR

- A. Approval of Warrants and Payroll in the amount of \$1,789,562.46.
- B. Approval of Board Meeting Minutes of October 23, 2012.
- C. Approve to replace Credit Card Vendor and Resolution #12-16-F authorizing the General Manager to sign the Corporate Resolution on behalf of the District to utilize First National Bank of Omaha.

Director Holbrook noted that on page 4 of the minutes under Director's comments, San Joaquin County Farm Bureau meets every Tuesday should be changed to "meets every 4th Tuesday" and "requires participation" should be changed to "requests participation."

It was also noted under Jeff Shields' report that SJTS should be "SJTSP" which is San Joaquin Tributary Settlement Process.

Mr. Emrick also noted that Resolution No. 12-16-F should be changed to reflect item #2 – duly "elected" to duly "authorized" to borrow money on behalf and in the name of the District. The Resolution including any changes is officially adopted into the minutes as follows:

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 12-16-F
RESOLUTION DESIGNATING AUTHORIZED OFFICIALS**

I, the undersigned, hereby certify to First National Bank of Omaha ("Bank") that I am Secretary of SOUTH SAN JOAQUIN IRRIGATION DISTRICT ("District"), located in Manteca, California, and that I have been duly authorized and am presently serving in that capacity. I

further certify that the following resolutions have been duly adopted by the Board of Directors, or other governing body, of the District and such resolutions are in full force and effect as of the date hereof and have not been revoked or rescinded as of this date:

RESOLVED that:

1. The First National Bank of Omaha Commercial Card Agreement (“Agreement”) is approved.
2. The official designated below (“Authorized Official”) is duly authorized to borrow money on behalf and in the name of the District, execute any notes, drafts, agreements and other documents and instruments, pledge and encumber property of the District (including, without limitation, bank accounts), and shall be authorized to instruct First National Bank of Omaha to issue credit cards to one or more employees of the District. The signature below is the genuine signature of the authorized official.

Authorized Official:

<u>ROBIN GIUNTOLI</u>	<u>FINANCE SUPERVISOR</u>	_____
Printed Name	Title	Signature

3. This resolution shall continue to be in full force and effect until express written notice of its/their rescission, modification or termination has been received by the Bank. Any and all prior resolutions received and certified by the Bank shall continue to have full force and effect until the Bank receives such written notice. Any rescission, modification or termination of a resolution must be accompanied by written notification to the Bank.

IN WITNESS WHEREOF, I have subscribed my name to this document and on the 13th day of November, 2012.

<u>JEFF SHIELDS</u>	<u>SECRETARY</u>	_____
Printed Name	Title	Signature

A motion was made by Director Kuil and seconded by Director Holmes to approve the consent calendar items with the corrections to the minutes as stated above.

PASSED AND ADOPTED on this 13th day of November 2012, by the following roll call vote:

- Ayes: Holbrook, Holmes, Kuil
- Noes: None
- Absent: Kamper, Roos

ACTION CALENDAR

Item #1 – District Division 9 Project Update

Mr. Jeff Shaw addressed the Board stating that progress was being made by Knife River on the remaining punch list items. He indicated the problem with the moisture sensors had been

defined and it turns out the black boxes were grounded in the field and at the solar panels which caused a disconnection to the isolators. Mr. Shaw said he is 100% certain that the moisture sensors are getting accurate readings. The Board asked what the cost would be to replace each of the black boxes. He was not sure but said the box itself could be anywhere from \$10 to \$100 and indicated the majority of the cost would be in man hours. He said three boxes at each turnout could be fixed in approximately 15 minutes. Director Holbrook asked if the District would replace the boxes if Knife River did not complete the repairs. Mr. Shields said yes and that is why the District has withheld \$224,290 of their last payment to Knife River Construction. He indicated that Knife River has pretty much taken ownership of the outstanding punch list issues.

Mr. Shaw said he is waiting for a response from the vendor regarding the erratic measurements at the flow meters and the noise issues. He also discussed the turnout flow meters and continues to believe it is -an installation issue. Siemens indicated the cables are very sensitive to all sorts of kinks, and there are 14 cable assemblies that need to be replaced. He indicated approximately 31% of the cables installed have some sort of noise issue. Mr. Shaw wants the manufacturer to stand behind their warranty.

Mr. Shaw believes the estimated water savings in Division 9 is approximately 2,830 acre feet per year. He said only a small sampling had been done and he would like to see a few more years of figures before he confirms them. Mr. Bologna stated there are more requests coming in from farmers who want to come onto the pressurized system.

President Holbrook asked the Board to hear item #5.

Item #5 – Approval of plans for Pillsbury Estates

Mr. Sam Bologna addressed the Board stating that Pillsbury Estates is a planned residential development located at the south end of Pillsbury Road in Manteca. The project consists of the ultimate development of approximately 80 acres of land, planted in almonds, which is to be subdivided into 275 lots. He indicated there is an outstanding issue regarding the discharge of storm water into Lateral “X” and the City of Manteca’s Storm Drainage Master Plan and storm drain agreement with the District does not include the use of Lateral “X”. He said the City is currently in the process of modifying their Storm Drainage Master Plan to include this lateral. He said ultimately the City will be responsible for approval of the developer’s storm drainage plan to make sure it is in compliance with the District’s requirements and the District’s agreement with the City.

A motion was made by Director Kuil and seconded by Director Holmes to approve the development as defined in the special conditions and requirements of item #13 as described in the staff report. Motion passed unanimously.

Item #2 – Consider Holiday Recognition for Staff

Mr. Shields stated this item is on the agenda every year and he does not wish to predispose the Board as to the action they should take.

A motion was made by Director Kuil and seconded by Director Holmes to grant the District employees a one-time holiday incentive in the amount of \$500. Motion passed unanimously.

Item #3 – Consider Board Meeting Holiday Schedule

After a short discussion, a motion was made by Director Holmes and seconded by Director Kuil to hold the next two Board meetings on November 27 and December 11, 2012. The meeting of December 25 will be canceled due to the Holiday. Motion passed unanimously.

Item #4 – Approval of South San Joaquin Irrigation District Resolution No. 12-15-B to affirm 2013 Water Charges for services furnished by the District

Director Holbrook noted that a sentence needed to be added to Rule #1-1 in order to clarify the charges for Division 9. Director Holmes said we would like the Board to review the Division 9 water charges next year.

A motion was made by Director Holmes and seconded by Director Holbrook to approve the resolution with the change to Rule #1-1. Motion passed unanimously and the Resolution is adopted into the minutes as follows:

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 12-15-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 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, with a minimum charge of \$25, 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, Groundwater Recharge and Division 9 Pressurized Water charges shall remain in effect at their current levels for the 2013 water 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 and a "VOLUMETRIC USE OF DISTRICT WATER" charge of \$3 per acre-foot. Those parcels which receive pressurized water from the District's Division 9 Irrigation System Improvement Project, shall, in addition, continue to pay an annual tiered rate Division 9 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 use of pressurized water and must pay the bills within 30 days of the date identified on the bill as the "Bill Date" to continue receiving pressurized water. The area served by the District's Division 9 Irrigation System Improvement Project is shown in Exhibit A. The VOLUMETRIC USE OF DISTRICT WATER charge and the \$40 per-acre foot portion of the Division 9 Pressurized Water charges for volumes of pressurized water used by customers served by the Division 9 Irrigation System Improvement Project in excess of the first 3 acre feet per acre will not be imposed or collected in the 2013 water season. Pressurized water used in Division 9 will be charged at \$30 per-acre foot for the 2013 water season.

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 "Ground Water Recharge."

RULE NO. 2-2: 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 GROUND WATER RECHARGE shall continue to be **\$25.00**.

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 "GROUND WATER RECHARGE" charges provided the owners of such lands enter into an "Irrigation Service Abandonment Agreement" covering same and provided further, there are no outstanding amounts owed to District on such lands.

PASSED AND ADOPTED this 13th day of November, 2012 by the following roll call vote:

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

Note: Attach map of Division 9 Project area as Exhibit A

Item #6 – Consider conditional approval of amendment to Service Abandonment Agreement for Gary Carlson, APN 245-160-44 and 245-160-45

Mr. Bologna addressed the board stating that Mr. Carlson wants to eventually utilize the conservation system. He will need a structure permit and needs to repair valves that could possibly leak. He said a sprinkler sump and all appurtenances shall be installed at the time of connection in accordance with District standards. Mr. Emrick asked why the District will not limit Mr. Carlson to installing a meter, sump and sprinkler system unless he installs a meter for a flood system. The Board responded that if he floods, water will be measured as for other growers.

A motion was made by Director Kuil and seconded by Director Holmes to approve the amendment to Irrigation Service Abandonment agreement for Gary Carlson, APN 245-160-44 and 245-160-45, subject to the standard agreement that reflects staff's recommendations. Motion passed unanimously.

Item #7 – Approval of Davids Engineering agreement for Consulting Services related to Volumetric Pricing and on-going Flow Meter Measurement Support Services

Mr. Bologna stated the District acknowledges that we need assistance with volumetric water measurement and believes that Davids Engineering will provide the support the District needs. He said Frank Avila and his group of employees can install most of the meters, however, he may require occasional assistance. The District will also look to Davids Engineering to help train the Ditch Tenders in entering information into the True Bill system. Director Holbrook asked if Davids Engineering could develop a concise step by step guide to help the Ditch Tenders to properly use the information. Mr. Bologna said yes and that training of employees is one of the

tasks for Davids Engineering. Director Kuil asked if SCADA at Drain 11 had been installed at the start of this year's water season and if so, he would like to the numbers for Drain 11. Mr. Bologna said yes and that he would get that information to the Board. Director Holmes asked if we can speed up the process for drain measurement and Mr. Bologna indicated yes.

A motion was made by Director Holmes and seconded by Director Kuil to amend the District's existing contract with Davids Engineering Inc. to include the tasks outlined in their Flow Measurement Plan Implementation Support proposal for 2013 in the amount of \$118,378 of which approximately \$68,275 of the cost will be allocated to billing and finance as part of their effort. Motion passed unanimously.

Item #8 – Approval of CenterPoint Agreements

Mr. Emrick stated this development will affect three (3) of the District's laterals and that heavy loads will be driving across the District's easements. He said this is not a typical development and customization of the standard agreements was necessary. Mr. Bologna stated the original rendition of these agreements was acceptable to the District when the Board approved it at their September 25 meeting. He indicated that Mr. Emrick has negotiated changes to the District's standard easement, developers and encroachment agreements requested by Center point and the changes are acceptable to staff. General Counsel's concern is the District may not be able to access their laterals and the District will also rights to use the access road.

A motion was made by Director Kuil and seconded by Director Holmes to approve the Easement, Encroachment, and Developers agreements with the conditions as outlined in the staff memo and authorize the General Manager to sign the documents and accept the grants of easement. Motion passed unanimously.

Item #9 – Approve proposal from KSN regarding modifying district's boundary description

Mr. Bologna stated that KSN was recently contacted to provide a proposal to amend the District's geographic boundary to correct existing errors in the boundary description which includes the Boyce property and soon to be annexed Voortman property. This work needs to be accomplished so it will not cause delays in the District's effort with LAFCo.

A motion was made by Director Holmes and seconded by Director Kuil to authorize the award of contract to KSN in an amount not to exceed \$8,980 and with clarification to require prevailing wages, where applicable. Motion passed unanimously.

Item #10 – Volumetric Billing update

Mr. Lindley stated he will continue to provide an update on the Volumetric Billing as requested by the Board of Directors. He said that he and Robin Giuntoli met with Scott of True Bill to discuss the Volumetric Billing procedure for Division 9. He stated that after experiencing problems with Springbrook software, staff has decided to utilize the True Bill software system. He said that Springbrook is designed for use in cities and not for District purposes. He stated that staff will contract with Davids Engineering to develop usage techniques with the True Bill

software. He indicated the challenge is finalizing and fully developing volumetric billing procedures. Mr. Lindley said that he was impressed with Davids Engineering solution which may be that we need to ignore the travel time with water billing which varies with flow rate time. Director Holmes stated the farmers are going to ensure the Ditch Tenders are capturing correct start times and perhaps then travel time will go away.

Item #11 – Approve 5-Year Capital Spending Plan

Mr. Lindley explained to the Board that part of the District’s annual planning process is to identify capital replacement, capital maintenance, and capital improvement projects for the coming year. He said this year we ended up with numbers that are consistent with other spending. He said this information ties in with the proposed budget that will be introduced at the next meeting on November 27. He explained that in consultation with Sam Bologna, Joe Catanzarite, Bill Hubkey, and Ed Erisman over a period of two months, a plan had been developed regarding the capital expenditures for the upcoming five years.

Director Holmes asked if some of the projects could be shifted around and Mr. Bologna said yes the plan is flexible. He said this project will be updated every year.

Item #12 – Consider approval of Proposal to provide Consulting Services for Collective Bargaining

During closed session, a motion was made by Director Kuil and seconded by Director Holmes to retain Lee Clark and authorized the General Manager to retain outside counsel to assist the bargaining team. Motion passed unanimously.

Item #13 – Authorize Board President to appoint alternate commissioners to the San Joaquin Tributaries Authority and ratify Board President’s status as an alternate at meeting on November 8, 2012

Mr. Shields stated that commissioners Kamper and Roos were unavailable to attend this meeting and Director Holbrook attended in their absence.

A motion was made by Director Kuil and seconded by Director Holmes to authorize Board President to appoint the member and the alternate to the San Joaquin Tributaries Authority Board and to ratify Director Holbrook’s status as an alternate at their meeting of November 8. Motion passed unanimously.

Item #14 - Communications

Director Holmes

- He congratulated Director Kuil on his re-election to the SSJID Board. He also thanked him for cooking at the Annual Safety Day event.
- He complimented Jeff Shields on the Project Monitoring spreadsheet and said the information looked great.

Director Kuil

- He thanked staff for their hard work at the Annual Safety Day event.
- He informed staff that one of the growers, Randy Mohler, has a pump that processes 3,000 gallons a minute that could be used for the Division 9 pond and is willing to let the District use it.

Director Holbrook

- He stated that he and Bere Lindley attended the SJTA meeting where their budget of \$1,308,000 for the year 2013 was approved. He said the members cost is \$218,000 per year. They hired Alan Short as their Executive Director with an annual salary of \$123,000. He informed the Board that he personally voted against the Budget.
- He also attended the San Joaquin River Group Authority board meeting on Thursday, November 8. Their budget of \$165,748 was approved. Their members cost is \$23,000 annually. Their auditor's report was accepted by vote and most everyone needs to complete Form 700.
- The gate on the FCOC by Fisk Road between Roth and French Camp Roads was removed and now there has been a robbery. He asked the District to look into why the gate was removed.
- He thanked everyone that participated in the Annual Safety Day event and said the budget for this event needs to be increased so that better and stronger chairs can be provided for the employees since a couple of them were broken that day.

President Holbrook asked for Managers Reports.

Bill Hubkey, Water Treatment Plant Manager

- Divers from Underwater Resources are on site today installing the new buoys and signs. Three days were scheduled for the installation and removal of old log booms.
- Train 3 has undergone its performance test on the new V-4 modules. The train is forced to run at 3,400 gallons per minute, 24 hours a day for seven (7) days. Staff is waiting for the damaged modules to be replaced before testing begins on Train 7.
- Staff sent design and flow information to the City of Lathrop for the River Island Design group.
- GE-Zenon has been working with plant staff to clean up the programs that control our MIT and back pulse rates.

Sam Bologna, Engineering

- Received 8 applications to the Water Conservation Program's new effort; \$153,328 left in account; twenty applications pending.
- Working with Davids Engineering to finalize AG Water Management Plan.
- MDC – received bids which are to be opened on November 19. There were a total of eight contractors who submitted bids.
- Procurement packaged on Division 9 project. Prices will be good for one year.

Jeff Shields, General Manager

- Received and reviewed AG Water Management Plan. A draft of the plan will be submitted to the Board on November 27 with the final to be adopted at the December 11 meeting. He said it is a good, comprehensive document.
- He thanked the Board members for cooking the food on Safety Day.
- Management staff attended Harassment Training.
- San Joaquin Partnership invited the Board of Director to attend their Holiday Reception on Thursday, November 29.
- Kevin Kaufman retired from Stockton East Water District and Allen Short is retiring from Modesto Irrigation District.
- Don Glaser with the Bureau of Reclamation has been reassigned to Colorado. He asked OID, SSJID, and SEWD to meet with him in Sacramento to discuss BDCP and New Melones operations on November 29.
- Distributed TriDam daily operations report. Beardsley and Sand Bar are back in operation; they were out of service for a month.
- Tulloch is generating electricity from all three facilities.
- Attended the CMUA legislative committee meeting on Thursday and the CMUA Board of Governors meeting on Friday in Sacramento. The legislative committee reviewed new legislation effort to streamline CEQA and eliminate wasteful and duplicate processes and also clarify authorities which currently lack specificity. There are 38 new legislators; almost half of the seats are new. There are major issues dealing with water and they will be moving fast by mid January 2013.
- The nomination for APPA Policy Makers Council representation is due on November 19. This is a forty member committee of elected or appointed members of APPA utilities that focus on national energy policy. This requires a monthly phone conference call and may occasionally require participating in the Washington, DC educational efforts.

General Counsel announced the Board would be discussing items 15A, B, C, and D under Closed Session:

ITEM #15 – CLOSED SESSION

15. 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 LABOR NEGOTIATOR
California Government Code Section 54957.6
Agency Negotiator: General Manager
Employee Organization: IBEW'S 1245 and Management Group
- c. CONFERENCE WITH LEGAL COUNSEL – Real Property Negotiations
Property: 247-170-03 and 247-170-05
Negotiating Parties: SSJID and Jeanette Stewart and John & Sharon Vaughn
District Negotiator: General Manager and Engineering Department Manager
Terms: Authorize staff to negotiate Easement for “L – Ka” connection

- e. CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
Patrick Heaney vs. SSJID
Small Claims Court - #39-2012-00283865

Upon returning from closed session, the following actions were announced.

It was authorized by the Board to issue payment of judgment incurred in Heaney vs. SSJID matter in the amount of \$150 plus court costs by unanimous vote.

Board authorization given to initiate litigation with further information to be given when an action has been started, upon request. Motion passed unanimously.

ITEM #16 - ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kuil and seconded by Director Holmes to adjourn the meeting. Motion passed unanimously.

ATTEST: _____
Betty Garcia, Executive Secretary