

Manteca, California
December 16, 2014

The Board of Directors of the South San Joaquin Irrigation District met in special 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, Engineering Department Manager Sam Bologna, Finance and Administration Manager Bere Lindley and Interim Executive Secretary Dawn Driesen.

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$1,158,192.71; payroll from November 18, 2014 thru December 11, 2014 in the amount of \$369,198.51.
- B. Approval of the regular Board Meeting minutes of November 18, 2014 and Special Meeting minutes of November 25, 2014.
- C. Approval of Notice of Completion for the Union Ranch East, #5 Development.

A motion was made by Director Holbrook and seconded by Director Kuil to accept the Consent Calendar items as submitted 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 – Oath of Office for Robert Holmes and Ralph Roos

Robin Giuntoli administered the Oath of Office for Directors Holmes and Roos.

Item #2 – Consider 2015 Water Season

Mr. Shields stated that Mr. Lindley got data on the recent rain event. He said the rain varied greatly. Ripon received 3.39” and Manteca received 1.89”. The storm was unique in that it traveled from the south to the north. Shasta Lake received 100,000 acre feet and Oroville Lake

received 70,000. Mr. Shields said that the District should be receiving its full allocation next year.

Item #3 – Consider Amendment to Irrigation Service Abandonment No. 463 for Ralph Roos (APN 245-180-34 consisting of 43.59 acres)

Director Roos said he had a conflict and left the meeting for this item. Mr. Bologna said that the parcel wanting to sign back in to District water is located off of Santos Road and is adjacent to another parcel owned by Mr. Roos that is already in the District. Mr. Bologna said that Mr. Roos stated that his trees are getting burnt from the salt in his well water and would like to get back in the District without the 1 year waiting period. Mr. Bologna indicated that the recommendation outlined in the staff reports are standard to the process, however, counsel has advised that it would not be possible for the Board to exercise discretion in this particular case. General Counsel, Steve Emrick, advised the Board that they can approve this matter subject to standard conditions imposed on all other landowners, but cannot approve an exception that requires the exercise of Board discretion. After discussion, Director Kamper moved that the Board approve the request as to the standard conditions and revisit the 1 year waiting period rule for all Amended Agreements at a future meeting. Motion was seconded by Director Kuil. Motion passed 4 to 0 as follows:

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

Director Roos returned to the meeting.

Item 4 – Consider Amendment to Irrigation Service Abandonment Agreement No. 1680 for Leonard Lovalvo (APN 249-080-20 consisting of 6.37 acres)

Mr. Bologna said that this application was on a previous agenda, but his application was denied by way of a failed motion. Mr. Lovalvo is requesting that the 1 year waiting be waived since he has no other access to irrigation water. Mr. Lovalvo submitted a letter stating that the existing well on the property is for domestic use and could not be used for irrigation purposes.

A motion was made by Director Kamper and seconded by Director Kuil that the Board approve the request as to the standard conditions stated in Mr. Bologna’s memo and revisit the 1 year waiting period rule for all Amended Agreements at a future meeting. Motion passed 5 to 0 as follows:

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

Item #5 – Consider potential transfer of a portion of Hall Drain.

Mr. Bologna stated that requests from Frank Bavaro and Tim McKinsey have come in to abandon a portion of the Hall Drain. Mr. Bologna said that although the District has been

maintaining the Hall Drain, it does not have recorded easements within these areas. Mr. Bologna suggested that if the Board decides to abandon the drain, that there be language in the agreement to indemnify the District as outlined in the staff report. Director Roos suggested to have a couple of directors go out to the property to review the land in person and bring the items back to the Board in January. It was decided that Directors Holmes and Kamper will go to the sites and report back in January.

Item # 6 – Presentation on status of East Basin Well Project and possible action.

Mr. Bologna indicated that there was new information received since the last Board Meeting regarding the projected capacity of the proposed well. He introduced Tom Butler from Stantec to describe the new findings. Mr. Butler presented information on the East Basin Well Project. Mr. Butler did some research on existing wells in the area and soil samples from the test well site. From the information gathered, Mr. Butler recommended moving forward with drilling the well within the existing area. Mr. Bologna indicated that Phil Stine was contacted regarding assistance in location of the well and his opinion was that a better location for the well was toward the east side of the basin. Director Roos asked what the cost was to dig another test well. Mr. Butler said approximately \$20,000. A motion was made by Director Kuil and seconded by Director Holbrook to dig another test well on the east side of the basin. Motion passed 3 to 2 as follows:

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

Item #7 – Adoption of 2015 Investment Policy

Mr. Lindley presented the Board with the 2015 Investment Policy.

A motion was made by Director Holbrook and seconded by Director Kamper to approve the 2015 Investment Policy. Motion passed 5 to 0 as follows:

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

Item #8 – Authorize staff to initiate Division 9 Volumetric Rates and Proposition 218 process.

Mr. Lindley clarified that the rates to be discussed are pressurized rates, not volumetric as stated on the agenda. Rates currently being charged to growers in the Division 9 area are not covering actual expenses. Mr. Lindley stated he is looking for direction from the Board as how to proceed on the matter. The Board asked Mr. Lindley to provide options for rates at the next Board Meeting. After that meeting, staff can proceed with the Proposition 218 process.

Item 9 – November 2014 Financial Statements

Mr. Lindley was available for questions from the Board but made no formal report. This was an information item only and no action was taken.

Item #10 – November 2014 Investment Reports

Mr. Lindley was available for questions from the Board but made no formal report. This was an information item only and no action was taken.

Item #11 – Communications

Director Kamper

- Tri-Dam budget has been approved by the advisory committee and property has been purchased for recreation at Tulloch.

Director Holmes

- Thanked staff for the nice job they did at the LAFCo hearing.
- There was an AgWater Committee meeting on December 8 and he handed out minutes from that meeting. There will be a follow-up meeting in January.
- There is a Tri-Dam meeting this Thursday at OID and a Goodwin meeting at SSJID on Friday.

Director Holbrook

- Attended the Advisory Water Committee meeting on November 19. He suggested that we start doing our own groundwater monitoring.
- He also thanked all the staff that worked on the LAFCo presentation and suggested that the District send a letter to the public of what happened at the meeting to keep the public informed.

Director Kuil

- Director Kuil said he knows a lot of time was spent by the employees preparing for the LAFCo hearing and he said the hearing was interesting to watch.
- He said there was no groundwater meeting this month. He agrees with Director Holbrook and thinks that the District needs to start monitoring the ground water in our area.
- He attended a healthcare class at the ACWA conference and they spoke about a program that sets up accounts for employees to pay for deductibles, similar to AFLAC. Director Kuil said he will give the information to Don Thornburg to set up a meeting to find out more about the program.
- He also attended a class about lawsuits and said that most of the time agencies saved more money by settling and not going to court.

Director Roos

- He attended the ACWA conference and said he learned that the joint powers authority Form 700 is done electronically now.
- He asked Bere Lindley to look into supernationals for District investments since they are guaranteed.

- The JPIA has several good programs that our HR could use to help reduce risks.
- He also learned that water treatment plants are now required to obtain NPDES permits. Plant Manager, Ed Erisman, said that it is a new requirement for treatment plants whether or not they discharge water.
- Director Roos also attended an ethics class and groundwater management.
- At the Region 4 meeting they discussed beneficial use for groundwater recharge.
- Director Roos asked General Manager Shields where the power is coming from for Lathrop Irrigation District. General Manager Shields stated that the power comes from Noble Energy. The power comes over PG&E lines, but LID purchases its own energy.

Bere Lindley, Finance and Administration Manager

- At the ACWA Conference, he attended a groundwater sustainability session and said he can see why we would want to monitor our own area. He said it was a great conference and was a great opportunity for him and Jeff to meet with other managers of other Districts.

Ed Erisman, Water Treatment Plant Manager

- Thanked the Board from all of the WTP staff for the time off during the holidays.
- Permeate pipe leak was fixed on Nov. 19th. The contractor dug down to the location that WTP and District staff had identified as the most likely spot and found the leak at the bottom of a dresser coupling. The contractor tightened up the bolts on the coupling and the leak stopped.
- Relocation of the valve boxes and ARV vault on Dodds Rd and BNSF crossing was completed just before Thanksgiving.
- WTP and District staff have started work on the Transmission Line Capacity and Flow Study. This study was originally budgeted for \$40,000, but after seeing what a good job the WTP and District staff did on the WTP Capacity Study the Operations Committee decided to have staff conduct the Transmission Line Study as well. They have purchased WaterCad software and have entered all of the necessary data points. Forrest helped calibrate it and they are now ready to start running simulations to answer questions about capacity and flow limits under different circumstances. This information will be crucial in planning for future needs and capabilities of the WTP.

Troylene Vallow, Communications

- The Boys & Girls Club and Second Harvest appreciated the District's support. They are also looking forward to Director Kuil working with them for the Ag-in-Motion which will be scheduled at a later date.
- January 17th is the Boys & Girls Club Crabfeed. She asked the Board to please let her know as soon as possible who will be going.
- Asked for feedback regarding the employee recognition. We will still be doing the employee dinner and how we will be recognizing employees for their years of service. The Board said that Director Roos will work with staff regarding this issue.

Don Battles, Utility Systems Director

- Rainwater going into the gear box attached to the drive motor for the tracker system and burned out the motor.
- They found a small leak on the Phase II transformer and Conergy is hiring a firm to repair it.

Sam Bologna, Engineering Department Manager

- There is no change in the Conservation Program funding.
- He met with the City of Manteca and their consultant regarding the Family Entertainment Zone which will affect the FCOC.
- He also met with the City of Manteca regarding annexing the Zone 39 area and storm drainage.
- Stantec and Davids Engineering have come up with a comprehensive economic analysis for the Pressurized System Study. They have 4 alternatives and will meet after the holidays.
- He attended the ACWA Conference and went to a class where they discussed water rights. He said it was good to see what other districts are doing and what possible grants are available. He also agrees that the District being the lead agency for regulators and groundwater monitoring is a good idea.

Jeff Shields, General Manager

- Betty Garcia wanted Jeff to report that her surgery went well.
- At the ACWA Conference he attended a Federal Issues Forum and met with the Bureau of Reclamation about water transfers.
- SJTA Commissioners Report will be Thursday at TID at 1:00 after the Tri-Dam meeting.
- On December 8th OID and SSJID had a tour of Goodwin, Honolulu Bar, Division 9, Woodward, WTP and Solar Farm for the State Water Board.
- Draft water transfer language. Any deal will have to be approved by both OID and SSJID after the New Year.

It was announced that items 12 a, c, & d would be discussed in Closed Session.

Item #12 – Closed Session

- a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
- 1 case
- b. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9 (d) (1)
Bonde vs. SSJID.
San Joaquin County Superior Court
Case No. 39-2013-00300234
- c. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)(1)

Cleo Johnson v. SSJID
San Joaquin County Superior Court
Case No. 39-2011-010268620

- d. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation to paragraph (2) of subdivision (d) of Section 54956.9
- 1 case

Upon their return from closed session, it was announced the following action was taken on Item No. 12 d. in Closed Session:

A motion was made by Director Kamper and seconded by Director Holmes to deny the claim of Delicato Vineyards, Inc. Motion pass 5 to 0 as follows:

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

ITEM #13 – ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Kamper and seconded by Director Roos to adjourn the meeting. Motion passed 5 to 0 as follows:

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

ATTEST: _____
Dawn Driesen, Interim Executive Secretary