

**MINUTES FOR THE MARCH 9, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District met in person in regular session in the District Boardroom at 9:00 a.m., with public access provided via the online Zoom meeting platform. Director Holmes called the meeting to order and led the flag salute. Upon roll-call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER WESTSTEYN
ABSENT: ROOS

Also present were General Manager, Peter M. Rietkerk; General Counsel, Mia Brown; Engineering Department Manager, Forrest Killingsworth; and SSJID Clerk of the Board, Danielle Barney.

Public Comment – None

CONSENT CALENDAR

- A. Approval of Checks in the amount of \$839,903.44; Accounts Payable Wires in the amount of \$427,871.62; and Payroll dated February 24, 2021 in the amount of \$1,219.46, February 26, 2021 in the amount of \$229,822.26, and February 26, 2021 in the amount of \$4,910.72
- B. Approval of the Regular Board Meeting Minutes of February 23, 2021
- C. Consent to South San Joaquin Irrigation District’s Entry of Property to Read and to Maintain Flow Meter, APN 177-480-07

Director Holbrook noted errors contained in Exhibit A – Legal Description of the staff report. The property is described as situated in the City of Manteca and should be within the County of San Joaquin; the property is described as located along Durham Ferry Road which has since been renamed Airport Way. Mr. Forrest Killingsworth, SSJID Engineering Department Manager, concurred and stated that, in some instances, legal descriptions are incorrect or outdated. He added that the attached San Joaquin County Assessor’s Map is current and correctly identifies the property in question.

- D. Consent to South San Joaquin Irrigation District’s Entry of Property to Read and to Maintain Flow Meter, APN 228-030-38

MOTION: A motion was made by Director Holbrook and seconded by Director Kamper to approve the Consent Calendar as submitted.

The motion passed 4 to 0 by the following vote:

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

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COMMUNICATIONS

Item #1 – Directors’ Reports

Director Holbrook participated in the California Special District Association (CSDA) 2021 Virtual Spring Education Day on March 3. Topics included 2021 rates for insurance including workers compensation, general auto, property, and cyber security; Special District Risk Management Authority (SDRMA) low investment earnings; and a presentation by Mr. Adam Cochran titled, “Argumentative People” which highlighted defusing combative situations.

Director Holbrook announced that the Greater San Joaquin County Integrated Regional Water Management Coordinating Committee meeting, scheduled for March 17, has been canceled.

Director Holbrook participated in the Employee Service Award Presentations at the Water Treatment Plant (WTP) on February 25, and noted that three (3) staff members that received awards have worked at the WTP since operations began in 2005.

Director Weststeyn participated in the Employee Service Award Presentations at the Control Room on February 24, and noted it was a nice event.

Director Weststeyn attended the 2021 Water Season meeting on February 25. He opined it was a good meeting which included open dialogue and feedback from District employees.

Director Kamper addressed Mr. Brandon Nakagawa, SSJID Water Resources Coordinator, regarding his recent email containing COVID-19 vaccination updates. Director Kamper stated the information and links contained in the email were helpful.

Director Holmes expressed thanks to District staff who coordinated and participated in SSJID’s Employee Appreciation Week. He opined that the service award recipient posters were interesting.

Item #2 – Various Reports

In adherence to the District’s new Board meeting protocols due to COVID-19, the Managers’ Reports were provided in written form to the Board on March 8, 2021.

Director Kamper addressed Mr. Bere Lindley, SSJID Assistant General Manager, regarding the Assistant General Manager’s Report dated March 8, 2021 and noted that CFO Office, Section 1, Bullets 3 and 4 described reports dated through 12/31/21 which should read 12/31/20.

Director Holmes addressed Mr. Frank Avila, SSJID Irrigation Operations Manager, regarding the flow of water he observed in Lone Tree Creek. Mr. Avila responded, via the online Zoom meeting platform, that the flows, of approximately 10-12 cubic feet per second (cfs) have been identified and confirmed as Oakdale Irrigation District (OID) releases.

Director Kamper addressed Mr. Ed Erisman, WTP Manager, regarding a recent security breach that occurred at Oldsmar Water Treatment Plant in Florida, when an unknown hacker remotely accessed the plant’s system to increase the levels of sodium hydroxide. Mr. Erisman responded, via the online Zoom meeting platform,

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that the reported breach in Florida initiated discussions with WTP staff and Mr. Michael O’Leary, SSJID IT Systems Administrator, to discuss potential cyber threats to the District. Mr. Erisman summarized that the discussions concluded the District’s computer system is secure with sensors and alarms in place on the SCADA systems and flow meters to monitor and identify chemical changes in the water.

Director Holmes addressed Mr. Erisman regarding the good progress being made on the WTP new drying beds.

Mr. Peter Rietkerk, SSJID General Manager, announced the Manteca Rotary International Foundation Dinner Fundraiser “Drive and Dine” on March 20 from 3-5:00 p.m., at 1463 Moffat Blvd. Tickets are \$25 each and the event will be catered by Fagundes Meats.

Mr. Rietkerk reported on Pacific Gas & Electric’s (PG&E) recent application submitted to the Federal Energy Regulatory Commission (FERC) requesting changes to its Wholesale Distribution Tariff (WDT), and proposing significant increases in rates and its return on equity, as well as changes to various service agreements including the service agreement with Western Area Power Administration (WAPA), all of which have resulted in significant opposition. PG&E’s proposal would replace longstanding rate methodology with a new formula-based approach, which is problematic. FERC issued an order accepting and suspending PG&E’s proposed new rates until April 15, 2021 and has declined to grant motions to reject PG&E’s filing, but has indicated that PG&E’s proposed formula, other proposed revision to the WDT, and proposed revisions to the Service Agreements have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. FERC further found that PG&E’s filing raises issues of fact that should be addressed in hearing and settlement processes, and encourages parties to try to reach settlement before hearings begin. A first settlement conference was held December 16, and a second is set for March 23.

Mr. Rietkerk reported that the San Joaquin Tributaries Authority (SJTA) is currently considering the development of a strategic plan. In addition to current functions of the SJTA, the effort could consider the SJTA’s role in coordinating regional projects, providing regional representation, and policy efforts. On March 5, general managers from the member agencies discussed and concurred to pursue a strategic plan effort, and committed to vet this further among the agencies and among the SJTA Commission. The meeting attendees included Mr. Rietkerk, Mr. Steve Knell, Oakdale Irrigation District; Mr. Bill Schwandt, Modesto Irrigation District; Ms. Michelle Reimers, Turlock Irrigation District; and Mr. Michael Carlin, San Francisco Public Utilities Commission.

Mr. Rietkerk announced the retirement of Ms. Troylene Sayler, SSJID Public Relations Director, effective April 8 after fourteen (14) years with the District, and publicly commended Ms. Sayler for her contributions and service to the District. Mr. Rietkerk noted that ongoing public relations tasks and projects are temporarily being divided among staff until potential changes are considered for the District’s public relations function. A meeting with the Board Public Relations Committee will be scheduled to discuss work projects, and strategies.

Director Weststeyn addressed Mr. Lindley and inquired if the District conducts a standard review of its PG&E rates with consideration to new time-of-use rates. Mr. Lindley replied that reviews are conducted as needed and added that the CFO Office will review PG&E’s rate changes to the WTP, and the net metering agreement with the Robert O. Schulz Solar Farm.

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ACTION CALENDAR

Item #3 – Consider Revisions to South San Joaquin Irrigation District’s Investment Policy

Mr. Lindley addressed the Board regarding a proposed revision to SSJID’s Investment Policy. He provided an explanation of California Government Code §§53601 and 53601.1 describing permitted investments including municipal debt securities; SSJID’s current investment policy which incorporates these sections of the Government Code; and the law which requires a minimum credit rating for some permitted investments, but not for municipal debt. The term “municipal securities” (or “municipal debt”) refers to securities issued by states, counties, cities, and special districts. SSJID’s investment policy imposes a higher standard on municipal securities than the Government Code by requiring a rating of AAA. The proposed policy change is to add an exemption for municipal securities from the AAA minimum credit rating requirement when the securities are fully secured by escrow or a reserve in trust.

Mr. Lindley introduced Mr. Kevin Martin, Cantella & Co. Inc. broker and SSJID’s investment advisor, who was in attendance via the online Zoom meeting platform. Mr. Martin greeted the Board and described investment categories the District has never participated in; better options for investment opportunities; investment objectives; market relative values; fixed income high grade investment opportunities; yield curves, and current opportunities in pre-refunded municipal bonds. Director Kamper thanked Mr. Martin for his hard work on behalf of the District.

Staff recommended a revision to the SSJID Investment Policy which would remove the minimum requirement for a credit rating on municipal debt securities in cases where the debt is fully secured by funds in escrow or trust.

MOTION: A motion was made by Director Weststeyn and seconded by Director Holbrook to revise the South San Joaquin Irrigation District Investment Policy removing the minimum requirement for a credit rating on municipal debt securities in cases where the debt is fully secured by funds in escrow or trust.

The motion passed 4 to 0 by the following vote:

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

Item #4 – Coronavirus (COVID-19) Update and Action as Necessary

Mr. Nakagawa addressed the Board and provided a recap of his email to all SSJID staff, dated March 3, 2021, which clarified vaccine eligibility for District employees under Tier 1B using the State’s definition of a “food and agricultural” worker, and further prioritized if underlying health factors increased your risk for severe illness. The email explained that vaccine should be administered in the county in which you live, and provided links to vaccination websites by county (Calaveras, San Joaquin, and Stanislaus) as well as a state website defining a “food and agricultural worker.” Mr. Nakagawa further explained that the San Joaquin County and the State websites are for informational purposes and/or notification of vaccination eligibility.

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Upon Board inquiry regarding a projected timeline of reopening to the public, Mr. Nakagawa responded that San Joaquin County is currently in the purple tier which allows for occupancy of up to 25% of boardroom capacity. He advised waiting for the County to move into the red tier before opening the boardroom to the public, which will allow for 50% of room capacity. Other options discussed included outdoor board meetings once the weather improves.

Item #5 – Discussion of Current Hydrology and Possible Action Regarding 2021 Irrigation Season Including Conservation Actions, Allocations, and Adoption of Resolution 21-10-W Amending and Restating Resolution 21-07-W, If Necessary

Mr. Rietkerk addressed the Board regarding updated hydrology based on the California Nevada River Forecast Center (CNFRC) water supply projection dated March 5, 2021, and the California Department of Water Resources (DWR) Bulletin 120 forecast update dated February 21, 2020. Mr. Nakagawa distributed a handout, titled Estimated Water Budget 2021, which incorporated data from the CNFRC and Bulletin 120 forecasts. He provided detailed explanations of the Water Budget including the predicted New Melones inflow; maximum available diversions at Goodwin; maximum allowable releases from Woodward; maximum allowable delivery to farm gate; expected diversion at Goodwin; and SSJID's conservation account. Additional discussion included the water balance, the projected March runoff, SSJID's Ag Water Management Plan, irrigation operations, and the importance of water conservation messaging.

Staff included this item on the agenda such that the Board could take additional action as necessary, and did not recommend changes to actions set forth in Resolution 21-07-W Declaring Start of 2021 Irrigation Season and No Initial Imposition of Water Allotment or Tier II Restrictions, approved by the Board on February 23, 2021.

Item #6 – Consider Approval of Master Encroachment Agreement with Pacific Gas & Electric

Ms. Mia Brown, SSJID General Counsel, addressed the Board regarding the proposed SSJID Master Encroachment Agreement (MEA) with PG&E. She provided background of PG&E's existing MEA which expired on January 1, 2015; the District's processing of PG&E's encroachment permits under the expired MEA; and ongoing discussions initiated by the District to PG&E about entering into a new MEA.

Ms. Brown explained the Board action on June 23, 2020, which required PG&E to process all future encroachment permit requests under a new MEA; and the timeline of the District's attempts to finalize the draft MEA with PG&E. The final MEA approved by legal counsel contains the following minor changes:

- Addition of provisions for emergency work (Sections 5 (B) and (C));
- Removal of language allowing parallel installations upon approval by the District Engineer. This change now requires all requests for parallel installations to come before the Board for approval.

Mr. Killingsworth stated that, typically, staff does not condone parallel installations in easements but will accommodate PG&E in limited circumstances when other alternatives are not reasonable and for the betterment of our local communities. He added that parallel installations must be presented to the Board on a case-by-case basis and reiterated that staff will not approve parallel installations through the proposed MEA.

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MOTION: A motion was made by Director Kamper and seconded by Director Weststeyn to approve the Master Encroachment Agreement with Pacific Gas & Electric, which will expire on December 31, 2030.

The motion passed 4 to 0 by the following vote:

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

It was announced that all items listed in the closed session agenda would be discussed. The Board took a brief recess at 10:15 a.m. and convened to closed session at 10:20 a.m.

Item #7 – CLOSED SESSION

7. 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
 - 2 cases
- c. Conference with Legal Counsel – Existing Litigation
 Paragraph (1) of subdivision (d) of Government Code Section 54956.9
 - 7 cases

*SAN JOAQUIN TRIBUTARIES AUTHORITY, et al., vs. CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
County of Sacramento Superior Court
Case No. JCCP 5013*

*SSJID vs. PG&E
Appeal from Judgment of Dismissal Pending:
In the Court of Appeal for the State of California, Third Appellate District
Case No. C086319
Superior Court for San Joaquin County
Case No. STK-CV-UED-2016-0006638*

*PG&E vs. San Joaquin LAFCo; SSJID, Real Party in Interest
In the Court of Appeal for the State of California, Third Appellate District
Case No. C086008
Superior Court for San Joaquin County
Case No. STK-CV-UJR-2015-0001266*

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SSJID vs. Lakeview Ranch Partners
Superior Court for Stanislaus County
Case No. 2028441

Tri-Dam et al vs. MWH Americas, Inc., et al
Tuolumne County Superior Court
Case No. CV-61638

California Sportfishing Protection Alliance v. Eastern San Joaquin Groundwater Authority et al.
Superior Court of Stanislaus County
Case No. CV-20-001720

IBEW Local 1245 v. SSJID
Case No. SA-CE-1122-M

- d. Conference with Real Property Negotiator
California Government Code Section 54656.8
Property: Water
Negotiating Parties: Oakdale Irrigation District, San Luis and Delta Mendota Water Authority, California Department of Water Resources, Chicken Ranch Rancheria Band of Mi-Wuks, Other Potential Parties Unknown
District Negotiator: General Manager
Terms: Price and terms of payment of sale
- e. Conference with Real Property Negotiator
California Government Code Section 54656.8
Property: Water
Negotiating Parties: South Delta Water Agency
District Negotiator: General Manager
Terms: Price and terms of payment of sale
- f. Labor Negotiations
California Government Code Section 54957.6
Agency Negotiator: General Manager
Employee Organization: IBEW Local 1245
- g. Public Employment
California Government Code Section 54956
Titles: Division Manager Foreman, and SCADA Technician I-III
- h. Public Employment
California Government Code Section 54956
Titles: Public Relations Director

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RETURN TO OPEN SESSION

The Board reconvened to open session at 12:09 p.m.

Item #8 – ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

Disclosure of reportable actions taken in Closed Session, pursuant to Government Code Section 54957.1:

Item 7.d. – Conference with Real Property Negotiator; California Government Code Section 54656.8; Property – Water; Negotiating Parties – Oakdale Irrigation District, San Luis and Delta Mendota Water Authority, California Department of Water Resources, Chicken Ranch Rancheria Bank of Mi-Wuks, and Other Potential Parties Unknown; District Negotiator – General Manager; Terms – Price and Terms of Payment of Sale

Ms. Brown reported that a decision has been reached regarding price, and terms and payment of sale at \$250 per acre foot, as approved by the following Board vote:

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

Item #9 – ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 12:10 p.m.

ATTEST:

Danielle Barney, Clerk of the Board