

**MINUTES FOR THE APRIL 23, 2019
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District met in regular session in the District Boardroom at 9:00 a.m. President Kamper 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, Peter M. Rietkerk; General Counsel, Mia Brown; Engineering Department Manager, Forrest Killingsworth; and Clerks of the Board, Betty Garcia and Danielle Barney

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$398,939.48; Accounts Payable Wires in the amount of \$229,274.34; and payroll dated April 12, 2019 in the amount of \$229,690.20.
- B. Approval of the regular Board Meeting Minutes of April 9, 2019.
- C. Approval of special Board Meeting Minutes of April 17, 2019
- D. Consider amendment to Irrigation Service Abandonment for Ken & Margaret Roos, APN 245-110-32, 245-110-31, and 245-110-30.

President Kamper commented that Consent Item D is typically located on the Action calendar and could be moved. Board consensus was Consent Item D will remain as is.

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

The motion passed 5 to 0 by the following vote:

AYES: HOLBROOK HOLMES KAMPER KUIL ROOS

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

COMMUNICATIONS

Director Holmes attended the South San Joaquin Groundwater Sustainability Agency meeting on April 17, 2019. He commented that the meeting went well.

Director Kuil stated that there will be a special Eastern San Joaquin Groundwater Authority Advisory Committee "Follow-up" meeting on April 24, 2019.

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Director Holbrook attended the San Joaquin County Advisory Water Commission (AWC) meeting on April 17, 2019. He reported on an AWC agenda item and consequent discussion regarding a possible County-wide sales tax of 0.5% to occur in the 2020 election year. The tax revenue would be used for the Integrated Regional Water Management (IRWM) Plan to assist in potable water; sewage; and stormwater and flood control. At the AWC meeting on May 15, 2019, the Commission will decide on recommendation to the San Joaquin County Board of Supervisors to support or oppose the proposed tax. Director Holbrook suggested this tax topic be included on the next SSJID Board Agenda for May 14, 2019 as a discussion item. Director Holbrook also reported that the County discussed the development of an IRWM Memorandum of Understanding (MOU) for all participating entities in the Plan. The County advised the Commission to discuss potential MOU elements with their respective leadership and staff. He distributed information regarding the MOU to the Board.

Ed Erisman, Water Treatment Plant (WTP) Manager:

- The plant switched to the upper intake on April 17th. Stanislaus County was notified that the “no bodily contact restriction” was lifted for the season.
- Water quality tests were conducted for organics (e.g.: algae, etc.). Reported good water quality.
- A “Serenity Gathering” will be held at Woodward Reservoir from April 26-28, 2019. This 3-day event includes art, music and open-air education. WTP staff will be monitoring the activities and taking daily water samples.
- On April 30, 2019, water samples will be taken from drying bed #4 in compliance with the National Pollutant Discharge Elimination System (NPDES) permit application requirements. The permit will allow the District to discharge water from the drying beds into the canal during irrigation season.

Bere Lindley, Assistant General Manager:

- Robin Giuntoli, Accounting and Customer Service Manager, is in the process of changing the District’s banking institution from Union Bank to U.S. Bank. During the transition, both the Union Bank (old) and U.S. Bank (new) accounts will remain open until all electronic transactions involving the Union Bank account have been terminated. The transition process will also include notifying all electronically paid vendors, and ordering new check stock and a check scanner.
- The financial statements for 2018 have been completed. Mr. Lindley stated that the annual financial report has doubled in size during the past 9 years due to new accounting standards.
- San Francisco Public Utilities Commission (SFPUC) has expressed interest in starting a retail electric utility. Implementation might seem like an audacious undertaking with a San Francisco population of 800-900k. SSJID population is 100k, so the difference in scale is only about 8 times, and the principles of the SFPUC and SSJID projects are the same.
- Mr. Lindley reported on the California Public Utilities Commission (CPUC) Forum held April 15, 2019. The forum included a series of panels, including Richard Kelly, former Chair of PG&E. Discussion amongst the SSJID Board expressed concern of PG&E’s efforts to ensure public safety.

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Public Relations Director Report:

- President Kamper announced the retirement party for Betty Garcia, SSJID Clerk of the Board / Executive Assistant, which will be held on Wednesday, April 24th at 2:00 p.m.
- Mr. Peter Rietkerk, General Manager, announced SSJID's "Bring Your Child to Work Day" on Thursday, April 25th at 2:00 p.m. Staff has put a lot of effort into this event and festivities will include goodie bags, and engaging the kids in games and activities.
- Mr. Rietkerk announced the Manteca Boys & Girls Club Hall of Fame Induction Ceremony will be held on May 18, 2019, which will recognize citizens of Manteca/Lathrop as achievers in their fields and promote them as role models for the young people of our local community.

Frank Avila, Irrigation Operations Manager:

Water Department

- Mr. Avila reported good water flows, averaging 400 cfs.
- The first Magnacide application will occur on Monday April 29, 2019.
- Training is going well for team members from the department. Two of the individuals returning will begin training and preparation to obtain their class A licenses.
- Our latest two new hires started on 4/15/19, bringing the Water Department to full-staff. Austin Jackson and Clinton Carter have been assigned to train on water; Austin is on Division 2 nights, and Clinton is training on Division 3 & 4 nights.
- The Water Department has been preparing for the "Bring Your Child to Work Day" this Thursday, 4/25. Mr. Avila stated that it should be a fun experience for the children.

Maintenance Department

- Staff has been busy with projects that come up last minute, from vents to pipeline leaks on the divisions.
- Staff has been removing vegetation on the West bank of the MSC with the long-reach excavator, as time permits. Clean up has occurred on some easements located around the City sewer plant.
- The proposed alignment for the contemplated Canyon Tunnel has been surveyed. District crews have installed T-posts next to the surveying markers to prevent damage from cattle. .
- The department is actively planning for the 2019/2020 construction season. This includes projects, crews, and engineering needs.

Shop Department

- The materials for the new stackable poly oil tank project have been ordered, with installation scheduled in the next 30-45 days.
- The John Deere grader is at Pape' for a major repair caused by wire getting into a wheel bearing/hub and damaging the axle housing. Repair estimate is \$9000.
- The new Ford trucks are beginning to arrive at the dealer and should be delivered in the coming days and through May, depending on production times.
- The welding shop is getting caught up on major projects and starting to work on division maintenance needs as they arise, by repairing gates and any box tops that need attention.

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MDC/Telemetry Department

- The Telemetry Department is busy with tasks to keep the automation systems operational, from Division 9 to the on-farm FTU's.
- Staff is working on all anticipated construction and permitting needs to get the new building site ready for the modular office building at the control room.

Forrest Killingsworth, Engineering Department Manager:

Daniels Street Extension

- The Engineering department has approved the improvement plans for the Daniels Street Extension Project. The project is scheduled to begin next week.

Woodward Reservoir Annual Inspection

- Mr. Killingsworth met with the inspector from the Division of Safety of Dams (DSOD) at Woodward Reservoir to perform the annual inspection and to acquire additional survey information on the District's 14 dams. No significant issues were noted during the inspection but a formal report will be provided to SSJID within the next month or two.
- DWR is proposing to adopt regulations that define a new methodology for establishing the Annual Schedule of Fees (pursuant to Water Code section 6307). Most of the changes are due to DWR tightening up dam regulations through Senate Bill 92 and Assembly Bill 1270, as a result of the spillway failures at Lake Oroville in 2017. It is possible that SSJID's assessment could more than double due to the potential changes. Several of the Woodward saddle dams are expected to be classified as "critical appurtenant structures," which will result in a substantial increase of fees.
- Woodward Dam is classified by DSOD as an "Extremely High" hazard dam. Extremely High hazard dams are those in which a dam failure would cause a "Considerable" loss of human lives. The "Extremely High" classification has a substantial impact of the District's insurance rates. The DSOD inspectors indicated a good chance that Woodward Dam could be reclassified to a lower level hazard after their review of the inundation mapping is complete.

Peter Rietkerk, General Manager:

- The CPUC is seeking feedback from interested parties on how to best regulate and promote a culture conducive to safety at PG&E. Mr. David Hoffman, Professor, University of North Carolina, interjected and commented that a thriving corporate safety culture begins with providing the right environment making safety a priority.
- Mr. Rietkerk or Mr. Lindley are appearing before the CPUC on April 26, 2019 to present a publicly-owned utility model of governance.
- SSJID submitted comments to the Governor's Commission on Catastrophic Wildfire Cost and Recovery ("Commission") in response to the Commission's request for recommendations of ways to reduce wildfire damage and costs, and ensure a more equitable distribution of wildfire costs and liabilities (copy of letter attached to GM Report). A second public comment period will be forthcoming, to which SSJID will respond. President Kamper expressed opinion that wildfire prevention should not be the sole responsibility of utilities. He stated that we should all do our part as a District.

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- Mr. Rietkerk reported on water supply, noted that precipitation was 44.0 inches and 123 percent of average for the San Joaquin River 5 Station index, and that New Melones is full and filling at 1,933,314 acre-feet.
- The South San Joaquin Groundwater Sustainability Agency meeting was held on April 17, 2019. Discussion continued on proposed minimum thresholds, measurable objectives, and undesirable results for the six sustainability indicators. These items are specific, measurable requirements to be included in the Groundwater Sustainability Plan. A follow-up Advisory Committee meeting of the Eastern San Joaquin Groundwater Authority meeting will be held on April 24, 2019.
- Governor Newsom released his strike team report on issues surrounding PG&E, wildfires, and bankruptcy on Friday April 12, 2019. In the report, Governor Newsom provided several recommendations including: wildfire preparedness recommendations in the Wildland Urban Interface (WUI); potential safety based profit incentives for Investor Owned Utilities; a fair allocation of wildfire damages; changing the strict liability requirement for inverse condemnation in California; and, holding PG&E accountable in various ways, such as investor contributed solutions, and potential for municipalization as an option.
- On May 11, 2019, SSJID will be celebrating its 110th year of service to the communities of Southern San Joaquin County. Staff will be bringing a resolution to the Board in May to commemorate this event. District staff is also thinking about ways that the District can commemorate the District's 110th year.
- Mr. Rietkerk noted that the district has filled the Water Resources Coordinator position and that the new SSJID team member will be starting on May 13, 2019.

ACTION CALENDAR

Item #2 – Association of California Water Agencies – Current Issues of Importance – Dave Eggerton – Executive Director

Mr. Dave Eggerton, Executive Director of the Association of California Water Agencies (ACWA), provided the Board with an update of current action and issues facing ACWA. Mr. Eggerton, gave a brief background of his education and work history of water agency management. Recent daily activities for the agency include working on policies for a proposed water tax bill; solutions for Senate Bill 669 – Water Quality: Safe Drinking Water Fund; best solutions to integrate “Water for Recharge;” and, coordination of the ACWA Spring Conference, which will be held May 7 to May 10, 2019 in Monterey.

Mr. Eggerton also reported on the recent move of the ACWA offices to 9th Street in Sacramento. Due to the costs for maintenance and repairs for the 100-year old building at the former ACWA location, this move will prevent the need to raise ACWA membership dues. The new location also houses meeting rooms, which can be utilized by the District for Sacramento-based business.

Mr. Eggerton announced ACWA's newly formed Ag Committee which will address the current issues facing our agriculture communities. The Sustainable Groundwater Management Act (SGMA) is a continuous top priority for ACWA in their support to help members and Groundwater

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Sustainability Agencies (GSAs). He stated the agency has a good relationship with the California Department of Water Resources (DWR) and invited the Board to submit any comments or concerns of SSJID, which he can present to DWR.

In closing, Mr. Eggerton complimented Mr. Rietkerk on his leadership and advocacy of the District. Mr. Eggerton concluded his presentation and discussion was opened. Comments from the Board included the need for legislation to make beneficial use of water rights a priority, including the right to sell excess water to help cover the costs of operation and maintenance.

President Kamper stated he would take Action Item #6 on the Agenda at this time, as there may be audience members present who have input.

MOTION: A motion was made by Director Holmes and seconded by Director Holbrook to take Item #6 at this time.

The motion passed 5 to 0 by the following vote:

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

Item #6 – Consider Approval of Resolution Supporting Assembly Bill (AB) 1732

Mr. Don Smail, Economic Development Manager – City of Manteca, appeared before the Board to seek approval of a resolution supporting AB 1732, and authorize the sale of the “former” Qualex property. Mr. Smail explained that the City would sell the building at “fair market value” at public auction with a proportionate distribution of proceeds among the public entities that have foregone property taxes during the time the property was in the redevelopment program. Ms. Mia Brown, SSJID General Counsel, inquired if there will be an opportunity to review the proposed instrument of conveyance to ensure it adequately provides for enforcement of the intended use of the property, to which Mr. Smail responded affirmatively.

MOTION: A motion was made by Director Holmes and seconded by Director Holbrook to approve and adopt the resolution supporting Assembly Bill 1732.

The motion passed 4 to 1 by the following vote:

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

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Item #3 Water Master Plan Phase I Presentation by CH2M Hill and Discussion – Greg Eldridge, Mark Leu and Jason Smesrud

Representatives from JACOBS Engineering, Inc. (formerly known as CH2M Hill), Mr. Greg Eldridge – Project Manager, Mr. Mark Leu – Deputy Project Manager, and Mr. Jason Smesrud – Water Resources Engineer, gave a presentation on the status and recent developments of the Water Master Plan (WMP) for SSJID. A slide defined the WMP and listed:

1. SSJID’s long-range roadmap – a plan to guide decisions and investments, and an implementation plan for SSJID’s Strategic Plan; and
2. Ways to ensure the District’s long-range success.

The plan is broken into a Three Phase Process: Phase I – Initial Assessment; Phase II – Plan Development; and, Phase III – Evaluate and Implement.

Phase I –Initial Assessment	Assess key stakeholders’ perception about present and future issues affecting SSJID; seek input from stakeholders about need for a WMP; identify key stakeholder groups that will provide input throughout WMP process; establish WMP goals to be used as guide to development; develop basis for effective public outreach plan.
Phase II – Plan Development	Continued stakeholder engagement; technical studies, and evaluate alternatives.
Phase III – Evaluate & Implement	Compliance with CEQA/NEPA; and programmatic approach to streamline implementation.

Initial Board interview feedback included concerns of the State Water Resources Control Board Substitute Environmental Document (SED), compliance with SGMA, maintaining reliable water supply to District customers, and agricultural water delivery schedules and flexibility. **Initial grower interview feedback** included a positive view and appreciation of SSJID, positive opinions of new system in Division 9, request for improved service for growers outside Division 9, recognition of lower water rates compared to other districts, and mixed views if SSJID should maintain separate flood irrigation service while implementing a pressurized system. Based on initial feedback, WMP “revised” draft goals now include:

- Promote the use of available surface water and protect the sustainable use of groundwater with the District.
- Promote SSJID’s stewardship of the water resource and its contributions to the economy and environment.

Initial analysis has identified gaps in Water Resources, Infrastructure, Finances, Comprehensive Alternatives, and Implementation Plan. The next steps will be to discuss and refine goals; develop and refine Phase II Work Plan; present Phase II Work Plan to WMP Ad Hoc Committee; refine Phase II Work Plan as needed; present Phase II Work Plan to Board and seek approval to move forward (target May 14 or May 28 SSJID Board Meeting); and, initiate Phase 2 and finalize the

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Strategic Communications Plan.

In conclusion, past efforts by SSJID have produced a body of existing work to build upon in developing and/or refining the WMP, there is broad support for developing a comprehensive WMP, and there is a need to address water resources infrastructure and financial considerations. Discussion amongst the Board indicated that the more information that is provided to the public, the more SSJID's position is defended and supported.

The Board took a short break at 11:00 a.m. and reconvened to open session.

Item #4 – Consider Encroachment Request from Charter Communication at Lateral Va

Mr. Killingsworth presented the Board with a request from Charter Communications to cross the District's Lateral Va near Sta. 58+48 with one 2-inch diameter communication conduit. Included in the agenda packet was a letter from Charter Communications requesting that this encroachment be subject to the terms and conditions of the Amended Master Encroachment Agreement between Charter Communications and SSJID, dated June 24, 1996, amended on May 19, 2005, and expired on May 19, 2015. Staff has reviewed the plans and has verified compliance with the District's standard requirements and terms of the expired Master Encroachment Agreement. Staff recommends the Board approve the encroachment request from Charter Communications to install a single communication line crossing at Lateral Va, near Station 52+48.

MOTION: A motion was made Director Holmes and seconded by Director Kuil to approve the encroachment request from Charter Communication at Lateral Va.

The motion passed 5 to 0 by the following vote:

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

Item #7 – Quarterly Presentation of Monthly and Year-to-Date Financial Statements

Mr. Bere Lindley, Assistant General Manager, gave an oral presentation to the Board of the unaudited draft 2018 Annual Financial Report. Mr. Lindley stated that the District is in "good shape." He noted a correction on page 28, Balance Sheets – December 31, 2018 and 2017. The Long-Term Liability of \$1,312,698 listed under "Restated 2017 – Net Obligation for Other Post-Employment Benefits" should be listed on the line below "Net Other Post-Employment Benefits Liability." Mr. Lindley informed that eight new accounting standards will be introduced within the next two years. The new applicable standards will be incorporated into the District's accounting system.

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Item #8 – Investment Reports for March 2019

Mr. Bere Lindley, Assistant General Manager, gave an oral presentation to the Board of the March 2019 Investment Report. Investments increased \$3 million in March, and future investment redemptions are targeted at a minimum of \$2 million maturity per month.

General Counsel announced that all items in closed session would be discussed. The Board took a break at 11:50 a.m. and convened to closed session.

Item #9 – Closed Session

9. a. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
 - 3 cases

- b. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Section 54956.9
 - 3 cases

- c. Conference with Legal Counsel – Existing Litigation
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
 - 4 cases
SAN JOAQUIN TRIBUTARIES AUTHORITY, et al., vs. CALIFORNIA STATE WATER RESOURCES CONTROL BOARD
County of Tuolumne Superior Court
Case No. CV62094

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

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

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- d, Conference with Real Property Negotiators
 - Pursuant to Government Code Section 54956.8
 - Property: Water
 - Agency Negotiator: General Manager
 - Negotiating Parties: OID/SSJID/Stockton East Water District (SEWD)

- e. IBEW Labor Negotiations
 - California Government Code Section 54957.6
 - Agency Negotiator: General Manager
 - Employee Organization: IBEW Local 1245

The Board reconvened to open session at 3:00 p.m.

Disclosure of reportable actions taken in Closed Session, pursuant to Government Code Section 54957.1: There were no reportable actions taken in closed-session.

Item #5 – Consider Approval of Temporary Water Transfer Agreement By and Between Oakdale Irrigation District / South San Joaquin Irrigation District and Stockton East Water District (after closed session)

MOTION: A motion was made by Director Holmes and seconded by Director Kuil to approve the temporary Water Transfer Agreement by and between Oakdale Irrigation District / South San Joaquin Irrigation District and Stockton East Water District.

The motion passed 5 to 0 by the following vote:

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

Item #10 – ADJOURNMENT

A motion was made by Director Roos and seconded by Director Kuil to adjourn the meeting at 3:03 p.m.

The motion passed 5 to 0 by the following vote:

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

ATTEST:

Danielle Barney, Clerk of the Board