

**MINUTES FOR THE JUNE 25, 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 ROOS
ABSENT: NONE

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

Public Comment - None

CONSENT CALENDAR

- A. Approval of Warrants in the amount of \$898,334.39; Accounts Payable Wires in the amount of \$1,228,787.00; and payroll dated June 7, 2019 and June 21, 2019 in the amount of \$477,951.31.
- B. Approval of the regular Board Meeting Minutes of May 28, 2019.
- C. Approval of Amendment No. Two to Developers Agreement for Delicato Vineyards, Inc., and San Bernabe Vineyards, LLC.
- D. Approval of Master Encroachment Agreement with City of Escalon

Director Holmes noted an amendment to be made to page 8 of the regular Board Meeting Minutes of May 28, 2019. The following revision shall occur to agenda Item 4 – Consider Approval of Bid from Tom Hillier Ford on the Purchase of Three 2019 Pickup Trucks:

- Director Holmes seconded the motion to approve the bid from Tom Hillier Ford. *Corrected from reading “Director Holman.”*

Director Holbrook inquired on the measurement of the pipeline as listed on page 2, section 4.3., Consent Item C – Approval of Amendment No. Two to Developers Agreement for Delicato Vineyards, Inc. and San Bernabe Vineyards, LLC. Mr. Forrest Killingsworth, SSJID Engineering Department Manager, confirmed that the pipeline in question is 48” in diameter.

MOTION: A motion was made by Director Roos and seconded by Director Holbrook to approve the Consent Calendar with stated amendments.

The motion passed 4 to 0 by the following vote:

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

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COMMUNICATIONS

Director Holmes reported that he has received positive comments regarding SSJID’s Magnacide applications for vegetation control in District waterways. He thanked Mr. Frank Avila, SSJID Irrigation Operations Manager, on his coordination and efforts.

Director Roos reported that he attended the San Joaquin Farm Bureau’s (SJFB) 105th Annual Meeting on June 20, 2019. He stated it was a good turnout for a positive event to award scholarships. Director Roos commented that it was encouraging to see so many young people interested in pursuing an education in agriculture.

Director Holbrook reported that he attended the Manteca/Lathrop Boys & Girls Club – Hall of Fame Dinner on May 18, 2019. He stated that SSJID was a sponsor of this event, and it was attended by many.

Director Holbrook reported that he attended the American Public Power Association (APPA) Conference in Austin, Texas on June 7 to June 12, 2019. Activities and events attended at the conference included:

- APPA “2019 Day of Giving Volunteer Projects” Friday, June 7, 2019: Volunteering opportunities for the APPA volunteers included:
 - Austin Animal Center – Director Holbrook volunteered at this facility. He reported it is the largest “no-kill” animal shelter, sheltering more than 16,000 animals annually and providing animal protection and resource services to the region. Volunteers help with dog walking, cat care, making toys, and maintenance duties.
 - Central Texas Food Bank – The largest hunger-relief charity in Central Texas. Volunteers help to inspect, sort, and pack food and grocery products.
 - Community First Village – A 51-acre master planned community that provides affordable, permanent housing and supportive community for chronically homeless. Volunteers assist with property beautification including weeding, watering, street sweeping and other various projects to support this community.
- APPA “Power Public Action Committee (PAC) Breakfast:” Updates on APPA’s PAC actions to support public powers interests in the United States.
- Keynote Speakers:
 - Sue Kelly, President & CEO of APPA
 - Mark McKinnon, Political Advisor & Television Producer
 - Doris Kearns Goodwin, Presidential Historian & Pulitzer Prize Winner

Director Holbrook reported on multiple informative breakout sessions he attended including: Safety Top 5 – Step Up Your Game; Lessons Learned from Disaster; Cybersecurity; “Are We Ready for the Rise of the Robots;” and, Tell Your Story – Save Your Utility.

Director Holbrook reported that SJFB is requesting for the submittal of projects for local storage and regional self-sufficiency.

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President Kamper commented that he has been made aware of issues regarding dead vegetation clogging sump station filters due to the Magnacide applications. He inquired if we can provide notification to farmers of upcoming aquatic herbicide applications. Mr. Avila responded that he could communicate directly with interested customers of upcoming scheduled applications.

President Kamper reported that he attended the APPA Conference. He added that it is always a good conference to attend for informational value and networking opportunities. Activities and events attended at the conference included:

- Future-proofing Your Utility
- Crisis Communication – How to Stay in Control: The importance of creating a plan to communicate and update in the event of an emergency, and be honest about the amount of information available at the time of the request. It is theorized that average attention span for the general public to absorb a message is 7 seconds.

Ed Erisman, Water Treatment Plant (WTP) Manager:

- PG&E Public Safety Power Shutoffs (PSPS) – Mr. Erisman attended a meeting on June 11, 2019 with the Cities of Manteca, Lathrop and Tracy to discuss their needs and reliance on SSJID water, and of SSJID’s capabilities in the event of a power outage. In the event of an outage, the WTP storage would be depleted in 4 hours. Renting temporary generators large enough to run the entire plant is estimated to cost \$13,000 per month. Mr. Erisman is continuing to research alternative solutions. All cities stated they are prepared and feel they have adequate supplies to last them through an extended outage. The City of Manteca has an emergency plan in place; the City of Lathrop has their own wells; and, the City of Tracy has its own water treatment plant.

Diesel fuel vendors have been contacted in effort to acquire priority service since the WTP facilities are considered critical infrastructure. SSJID has been placed on a priority list during a prolonged outage for diesel deliveries. Additional vendors (local and non-local) have been contacted to establish alternative options for supplying diesel fuel.

A list of emergency procedures has been developed for the operations staff, in the event of a power outage. These procedures provide step-by-step guidance to staff upon notice to discontinue electrical service. The main focus is to deliver remaining water supplies to the cities in a fair manner and to maintain pressure in the transmission line. Keeping the pipeline pressurized is crucial to prevent contamination of the water supply. If pressure were lost, it would require additional testing, disinfection and flushing that could add days to the time required to restore water service.

- Two (2) sodium hypochlorite (hypo) tanks have been replaced, under warranty, at the WTP due to the development of small leaks. A third leaking hypo tank has been removed with intent to repurpose it for the Clean-in-Place (CIP) tank in the Zenon system. The purpose would be to hold clean water in preparation for the quarterly citric acid cleans performed on the Zenon fiber modules.
- San Joaquin County has contracted with Knife River Construction Co. to resurface Murphy Road between Dodds and Lone Tree Roads. A section of our 35 miles of transmission line

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runs along Murphy Rd. We have worked with San Joaquin County to include raising all of our valve boxes and air relief valves as part of this project. The work started last week.

- SSJID is a member of the CalWARN Mutual Aid Program. CalWARN has requested assistance for the Paradise Irrigation District in the Camp Fire recovery project as their system is currently contaminated with benzene. The WTP will be sending two crew members, one pick-up, and tools for one week to help transfer contaminated service lines over to newly installed lines. The cost of this work will be reimbursed including travel expenses, hotel stays and wages.

Bere Lindley, Assistant General Manager:

- The Accounting and IT Springbrook transition is complete with no disruptions.
- The bank change to US Bank is underway and going well.
- Troylene Saylor, SSJID Public Relations Director, is expected to return to work on July 1. Ms. Saylor is conducting some business from home and will be a call-in participant of the meeting with MHD Group, on June 26, to discuss public outreach for SSJID's Retail Electric Project.
- The Human Resources onboarding program has had positive results with the guidance and tracking of tasks to be completed by and for new employees. Mr. Rietkerk and Mr. Lindley have discussed utilizing the program for the newly appointed Board Director.
- Mr. Lindley attended the APPA Conference and reported on a good and educational event. He reported on some classes attended including: 1) "Designing Rates" – The matching of fixed rates with fixed revenues or variable costs with variable revenues; and, 2) "Board Governance" – The roles and duties of a board director; District board rules, practices and traditions; and, the nature of governing board business.

Mr. Lindley was approached by Dr. Alexander Gabbin, City Councilman – Harrisonburg, VA and Accounting Professor – James Madison University, who complimented Mr. Lindley on comments made during a designing rates class. Dr. Gabbin invited Mr. Lindley to write an academic article on rates for Public Owned Utilities (POUs). Mr. Lindley declined but offered to provide an outline as a resource for Dr. Gabbin. Mr. Lindley asked the Board if they objected to his participation, and they did not.

Frank Avila, Irrigation Operations Manager:

Water Department

- The Irrigation department flows are averaging around 450 cfs.
- Walt Luihn, SSJID Environmental Compliance & Safety Officer, is planning the next Aquatic application Monday July 8, with intent to use Teton on this treatment.
- A Magnacide application occurred on June 18, without incident.
- Joe Hasten, SSJID Irrigation Services Supervisor, was on vacation the week of June 17 to June 21, 2019. Anthony Podesto covered in his absence.
- On Wednesday, June 12, Mr. Avila joined Mr. Erisman and Mr. Justin Ashworth, WTP Supervisor, to patrol the upper Woodward inlet. The patrol resulted in identifying some locations in need of maintenance as soon as possible.
- The ram pump was in operation last week to fill the tank, without incident.

Maintenance Department

- Work is continuing to grade our roadways.

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- Leaks are being repaired, as needed.
- Clearing of debris in homeless encampments is occurring along the FCOC. Mr. Avila stated the homeless camps are becoming problematic.
- Mr. Avila inspected the hill side above the ram pump to reclaim and identify a clear and safe path for crews to reach it. This trail will allow easier access when SSJID or OID crews need to go work on the pump.

Shop Department

- The shop crews are staying on top of the day-to-day needs of our departments.
- James Ferguson, SSJID Shop Supervisor, is awaiting the permits for the locker room remodel. Mr. Ferguson has stated that progress is being made.

MDC/Telemetry Department

- The Telemetry Department is performing maintenance to ensure all the automation sites are working at top performance.
- Work is moving forward on required design changes to obtain a permit for the installation of the new locker room building.
- All departments are working on the project list for this upcoming 2019 winter season. Upon review, a busy winter work season is anticipated.

Forrest Killingsworth, Engineering Department Manager:

Beardsley Afterbay Project

- Bid documents went out to bid last Friday, June 21 as planned.
- Mr. Killingsworth reported that collaboration and project coordination efforts amongst staff from SSJID, Tri-Dam, OID, and Condor Earth Technologies was a very positive experience and should encourage additional growth in the relationship between the organizations.

Canyon Tunnel

- Drilling began on June 3 and will continue into August. Eight (8) drilling locations have been identified.
- The contractor (Taber Drilling) has experienced a few equipment setbacks since starting. One boring had to be abandoned as a result of the drill bit getting stuck 50' short of the target depth. The contractor has agreed that this event will have no cost implication to the District. In addition, a malfunction occurred with the drilling rig that could not be repaired on site. A separate drilling rig is scheduled to arrive onsite this week.

Potential PG&E Power Outages

- An 8-member task force has been established to develop an action plan in the event of the PSPS outages that could result in our area this fire season. Members are:
 - Forrest Killingsworth (Project Manager)
 - Ed Erisman (WTP Operations)
 - Sarah Bloom (Document Development and Technical Support)
 - Frank Avila (Operations Support)
 - Lloyd Wayman (Operations Support)
 - James Ferguson (Inventory and Fuel)

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- Troylene Saylor (Public Involvement)
- Chad Parsons (Technical Support)
- This week, the team is gathering as much information as possible related to:
 - The District's points of service, which includes 75 meters, 54 of which are PG&E services.
 - Existing backup power inventory.
 - Fuel supplies, storage, transportation abilities, and supplier contracts.
- Once the information is gathered, development of the Action Plan will begin. The structure of the plan will be in the form of a procedural manual. The purpose of the plan will be to maintain service to customers and a safe work environment. The next Task Force Meeting is scheduled on June 26 for further plan development.
- The preliminary goal is to have a draft plan document available for viewing at the SSJID regular Board meeting scheduled for July 23, 2019.

Director Holbrook inquired on the consideration given to the effects of a power outage on Tri-Dam. Mr. Killingsworth responded that Tri-Dam will have the ability to monitor and operate the Goodwin diversion gates. President Kamper inquired on the effects a power outage will have on growers' pumps being shut down. Mr. Killingsworth replied that an evaluation will be conducted to determine impacts and levels of service.

Mr. Killingsworth recommended the purchase of additional generators. An "action checklist" is being created to provide to customers in the event of a power outage. In addition, letters will go out to SSJID customers explaining that service will continue with minimal impacts. Mr. Killingsworth summarized by stating that the SSJID's forefathers built our District with minimal electric power. He has complete confidence that staff will deal with this challenge and continue to provide service to our customers in a professional and efficient manner that is consistent with SSJID's reputation.

Peter Rietkerk, General Manager:

Mr. Rietkerk commended Mr. Killingsworth on his coordination efforts on the PSPS issues.

Mr. Rietkerk participated in a FishBio tour of the Stanislaus River, on June 4, 2019, to observe Native Fish Plan sampling, predator suppression program activities, and electrofishing. He found this event very insightful of our biologists' efforts to maintain a healthy ecosystem.

Mr. Rietkerk participated in a Tuolumne Utility District (TUD) tour, on June 6, 2019, to view their systems and discuss challenges. He found the tour interesting and welcomed building relationships with TUD staff.

Mr. Rietkerk attended the APPA Conference and reported on classes attended regarding board directors. He added that staff is in the process of developing a policy manual for the SSJID Board of Directors with topics including director's roles, requirements, training, etc. Ms. Danielle Barney, SSJID Executive Assistant / Clerk of the Board, has submitted an initial draft manual for review. Staff is weighing the merits of various approaches, including development of formal board policy, or adoption of the policy through a manual. A suggestion from the Board was to include a

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list of commonly used acronyms. Mr. Rietkerk added that an ad hoc group will be established for the final development of the SSJID Board of Directors Policy Manual.

Mr. Rietkerk distributed copies of the full-page newspaper ad, published in the Modesto Bee, commemorating SSJID's 110th anniversary. The ad included the District's history, important events, and acknowledged SSJID's employees and Board members, both past and present. Mr. Rietkerk recognized Mr. Lindley and Ms. Robin Giuntoli, SSJID Accounting and Customer Service Manager, on their combined efforts of creating the informative and aesthetic ad. Mr. Rietkerk shared that he is thankful and humbled to be a part of the progressiveness and positive traditions on which SSJID was founded.

Mr. Rietkerk also reported on the following informational items:

- Reservoir Storage
 - New Melones storage is currently at **2,229,726 AF**, or **93-percent** of capacity. Top of Conservation Storage limit is 1,970,000 acre-feet. The top of conservation limit starts increasing on April 1st, ramping to 2,420,000 acre-feet by June 1 – September 15, then ramping down to winter levels by November 1st.
 - Stanislaus River flows ramped to approximately 2,500 cfs on June 24th, and is expected to remain there until June 28th.
- Tri-Dam experienced planned outages to coincide with PG&E wildfire prevention/vegetation management activities as follows:
 - 6/21/2019 Donnells
 - 6/22/2019 Donnells, Beardsley
 - 6/24/2019 Sandbar
 - 6/25/2019 Donnells, Beardsley, Sandbar
- On June 11, 2019, the Federal Environmental Protection Agency rejected the California State Water Resources Control Board's submittal of the Water Quality Control Plan, Substitute Environmental Document, Phase 1, due to a lack minimum requirements being included with the state's submission. The EPA requested that the SWB submit the minimum required information to EPA within 90 days (letter attached).
- The State Water Resources Control Board will hold a public workshop on July 2nd in Sacramento to seek input on the Central Valley Regional Water Quality Control Board's plans to address salt and nitrate control, CV Salts, which the State Water Resources Control Board is considering for approval.
- On June 21, 2019, Senators Dianne Feinstein (D-Calif.), Cory Gardner (R-Colo.), Martha McSally (R-Ariz.) and Kyrsten Sinema (D-Ariz.) introduced the bipartisan Drought Resiliency and Water Supply Infrastructure Act, a bill to improve the nation's water supply and drought resiliency.
- SSJID participated in the City of Manteca's June 18, 2019 Council meeting, requesting that the City renew its support of SSJID's retail electric project through a letter sent to the Governor and elected officials. Coincidentally, PG&E also presented at the same meeting regarding the Public Safety Power Shutoff Program. The letter, from the Cities of Escalon, Manteca and Ripon, will be finalized and sent on behalf of the Cities this week.
- On June 21st, Governor Newsom released a status report on actions to implement the recommendations from the Governor's Wildfire Strike Force Report, issued in April. The Governor's Strike Force report update dovetailed with recommendations made by the

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Commission on Catastrophic Wildfire Cost and Recovery. Newsom signaled that he is still pushing to have related legislation passed by July 12th.

Mr. Rietkerk also noted the following meetings:

- 05/30/19 – Tri-Dam Meeting @ Strawberry, CA
- 06/03/19 – Tri-Dam/SVP Call-in Meeting, re: Upcoming PG&E Outages
- 06/03/19 – SSJID Safety Day Presentation Discussion Call-in Meeting w/Gordon Graham & Walt Luihn
- 06/04-19 – FishBio Tour of Stanislaus River
- 06-04-19 – Tri-Dam Call-in Meeting
- 06-05-19 – SJTA Monthly Meeting, Conference Call
- 06-06-19 – Tuolumne Utilities District Tour
- 06-09 to 06-12-19 – American Public Powers Association Conference, Austin TX
- 06-19-19 – South San Joaquin Groundwater Sustainability Agency Meeting
- 06-19-19 – SSJID 110th Celebration & Luncheon
- 06-19-19 – Tri-Dam Meeting @ Oakdale Irrigation District
- 06-20-19 – Tri-Dam Board Meeting @ SSJID
- 06-20-19 – SSJID Senior Management Team Meeting
- 06-21-19 – Manteca Chamber of Commerce 96th Annual Installation & Awards Banquet

ACTION CALENDAR

Item #2 – Presentation of 2018 Annual Audit by Maze & Associates; Discuss and Consider Accepting 2018 Audit

Mr. Lindley introduced Mr. David Alvey, CPA, Vice-President – Maze & Associates, the accounting firm that conducted the audit of the SSJID Financial Report for the year ending 12/31/18, which was prepared by SSJID staff. He commended Ms. Whitney Crockett, CPA, Manager – Maze & Associates, Ms. Giuntoli, and Ms. Sarah Bloom, SSJID Management Accountant, on their quality work.

Mr. Alvey thanked the Board and presented the audit of the SSJID Annual Financial Report 2018. Mr. Alvey stated the District’s audit provided a clean opinion on the financial statements. Mr. Alvey gave an oral presentation summarizing SSJID’s financial overview, and internal controls. He acknowledged Mr. Lindley, Ms. Bloom, and Ms. Giuntoli on outstanding teamwork.

MOTION: A motion was made by Director Roos and seconded by Director Holmes to accept the SSJID 2018 Annual Audit presented by Maze & Associates.

The motion passed 4 to 0 by the following vote:

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

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The Board took a short break at 10:50 a.m. and reconvened to open session.

Item #3 – Discuss and Consider Approving Mid-Year Budget Amendment and 5-Year Plan

Mr. Killingsworth addressed the Board on the proposed budget amendment and explained it is becoming a routine process to update the 5-year expenditure plan mid-year to support proposed construction activities in the upcoming winter. He added that beneficial changes become apparent during the spring/summer season, which perpetuates a revision to the previously approved construction plans. Mr. Killingsworth highlighted Agenda Item 3, Attachment C (included in this meeting's agenda packet), which summarizes proposed project changes and the impacts to the budget and 5-year plan.

- Primary reasons for changes and modifications:
 - We continue to improve our abilities to address the difficulties of flow regulation as it relates to the increasing number of sprinkler customers.
 - Some items appear to be modifications but they are simply breaking larger projects into individual projects for administrative tracking purposes.
 - Some adjustments were made as a result of obtaining more information since finalization of the original budget. This information was gathered through the ongoing design and engineering process along with updated quotes from vendors.
- Projects worth mentioning:
 - **Lateral O, Oa, Ob Flow Regulation Projects.** At the initial time of budgeting, assumptions based on the number of float valves and automated gates were made prior to surveying and engineering design. Those efforts have now been completed and plan has been revised to represent the actual quantities and locations of facilities needed.
 - **MDC Automated Trash Grate.** This project has been discussed for several years but has risen in priority to address water quality on the lower end of the distribution system.
 - **JSC Upslope Stabilization:** This was a new project identified during the JSC tour with the Condor Team last winter. Condor recommended we hire a contractor, as we have in the past, to address slope instability issues by scaling, rock bolting, and shotcreting. This was a highly recommended action to increase safety of those working in the canal during maintenance season. We limited our maintenance efforts last year to avoid these areas. A safer work environment will need to be established to perform maintenance work in the canal this off-season.
 - **Control Box Modifications at Critical Diversion Structures on Irrigation Laterals (K/Ka and Be/Bd):** Considerable advantages exist in the Division Managers ability to control flow at diversion points on distribution laterals. These two projects will require some degree of concrete box modifications to allow for the automation and flow measurement infrastructure.
- Budget Impact - The overall budget impact results in:
 - 2019 Capital Budget = down \$299,181
 - 2020 Capital Budget = up \$722,068
 - 2019 Operating Expenses = up \$56,160
 - Total result = up \$422,888

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MOTION: A motion was made by Director Holmes and seconded by Director Roos to approve the mid-year budget amendment and 5-year plan update.

The motion passed 4 to 0 by the following vote:

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

Item #4 – Discuss and Consider Approving Amendment to Irrigation Service Abandonment Agreement for Rudd Family Irrevocable Trust, APN 197-120-49

Mr. Killingsworth addressed the Board and explained the area in question is a 1-acre parcel, which is currently irrigated with a domestic well. He added it is an outdated system and the current property owner would like to amend the existing service abandonment agreement so the property can be eligible to receive District water. SSJID engineering staff has worked with the owner to establish an irrigation approach that would include installation of a new flood valve. All parties are in favorable agreement.

MOTION: A motion was made by Director Holbrook and seconded by Director Roos to approve the amendment to the irrigation service abandonment agreement for the Rudd Family Irrevocable Trust, APN 197-120-49.

The motion passed 4 to 0 by the following vote:

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

Item #6 – Discuss and Consider Adoption of Resolution #19-10-Q Authorizing the Disposition of Property No Longer Necessary for District Purposes

MOTION: A motion was made by Director Roos and seconded by Director Holbrook to adopt Resolution #19-10-Q to authorize the disposition of property no longer necessary for District purposes.

The motion passed 4 to 0 by the following vote:

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

Item #7 – Discuss and Consider Adoption of Resolution #19-11-W Approving an Emergency Water Supply Agreement with the Chicken Ranch Rancheria Me-Wuk Indians and a

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California Environmental Quality Act Notice of Exemption for the Emergency Water Supply Agreement

Mr. Rietkerk addressed the Board and provided background that the Tri-Dam Board had approved the Emergency Water Supply Agreement with the Chicken Ranch Rancheria Me-Wuk Indians, of which SSJID and Oakdale Irrigation District (OID) are Board members. The agreement became fully executed on April 10, 2019. OID filed the required Notice of Exemption from the California Environmental Quality Act (CEQA) with County Clerks of both Calaveras and Tuolumne Counties. Staff is recommending that the Board adopt Resolution #19-11-W approving the Emergency Water Supply Agreement and Notice of Exemption as filed by OID on May 17, 2019.

MOTION: A motion was made by Director Holbrook and seconded by Director Roos to adopt Resolution #19-11-W Approving an Emergency Water Supply Agreement with the Chicken Ranch Rancheria Me-Wuk Indians and a California Environmental Quality Act Notice of Exemption for the Emergency Water Supply Agreement.

The motion passed 4 to 0 by the following vote:

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

Ms. Mia Brown, SSJID General Counsel, added that the Emergency Water Supply Agreement with the Chicken Ranch Rancheria was previously approved by the Tri-Dam Board. She clarified that the motion to adopt Resolution #19-11-W is to approve the CEQA Notice of Exemption for the Emergency Water Supply Agreement as filed by OID on May 17, 2019.

Item #8 – Discussion and Possible Action to Cancel SSJID Board Meeting on July 23, 2019 Due to Conflict with Hydrovision Conference Scheduled on July 22 to July 26, 2019

Mr. Rietkerk addressed the Board and explained that this agenda item was presented at the regular SSJID Board meeting on May 28, 2019, at which time a decision was made to table and present the item at the Board meeting on June 25, 2019. Mr. Rietkerk recommended tabling this item until the next scheduled regular Board meeting, due to the candidate interviews which will commence today, June 25 at 1:00 p.m., to fill the vacancy of the SSJID Board Director seat for District 4. He added that should a new Director be appointed to the SSJID Board for Division 4, a quorum may be present for the SSJID Board meeting to be held on July 23, 2019. Discussion and final decision from the Board directed staff to table this item until the SSJID regular Board Meeting on July 9, 2019.

Item #9 – Discussion of Possible Development of a Regional Sales Tax Measure for Water Projects

Mr. Brandon Nakagawa, SSJID Water Resources Coordinator, updated the Board of activity at the San Joaquin County Advisory Water Commission (AWC) meeting on June 19, 2019, which was attended by Mr. Nakagawa and Director Holbrook.

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- Draft MOU for the Greater San Joaquin County (GSJC) Integrated Regional Water Management (IRWM): Mr. Nakagawa provided background of the IRWM explaining that it was originated by district members of the San Joaquin County Groundwater Banking Authority. The AWC is recommending that a simple MOU be considered by AWC members and other potential signatories to formally establish the Greater San Joaquin County IRWM Region. Regions throughout the State must have a compliant IRWM Plan in order to compete for State grant funds from sources such as Propositions 1 and 68. The County has tentatively secured \$6.5 Million to implement IRWM projects for the Region. A revised MOU needs to be established with participating members in order to update the IRWM. Mr. Nakagawa stated that staff will review the draft MOU and return before the Board with comments and/or recommendations. Any requests for approval will be forthcoming.

- County Flood Conveyance and Levee Maintenance Assessment District: County staff presented a draft rate analysis and timeline for a Prop 218 effort to establish a Flood Conveyance and Levee Maintenance Assessment District to pay for State and Federally mandated services. Revenue would be restricted to only fund channel maintenance activities. If approved by weighted vote of affected property owners, there would be an incremental increase on property tax bills in proportion to the benefit received. An analysis of the rate impacts shows most homeowners, generally in the Stockton area, would see an estimated annual assessment fee of less than \$20 per year. The proposed Assessment District overlaps with SSJID's service area including parts of Escalon. Mr. Nakagawa recommends that SSJID monitor the process and direct customers to the County point of contact, should they have any questions regarding their tax bills.

- Proposed San Joaquin County Sales Tax Measure for Water: The AWC continues to discuss the proposed development of a regional sales tax measure to pay for water resources and flood management projects. This source of revenue could fund projects including those involving compliance with the Sustainable Groundwater Management Act (SGMA), conveyance and delivery system modernization, larger-regional capital improvements, levees and flood control, etc. The special tax would require a 2/3 vote ballot election in November 2020. Mr. Nakagawa recommends SSJID continue to be a part of the discussion and any updates and potential decisions be brought back to the SSJID Board for consideration. Mr. Rietkerk stated that to gain local support, staff should identify future projects, and research funding mechanisms – regional and/or SSJID. Director Holmes inquired on defining the Disadvantaged Communities (DACs) required in the IRWM. Mr. Nakagawa replied that self-identified representatives of DACs could be groups such as Catholic Charities, Environmental Justice Coalition for Water, food banks, or service areas within County jurisdiction. Director Holbrook commented that the regional sales tax could benefit all.

Item #10 – Discuss and Consider CERBT Investment Strategies: Changing from Strategy 2 to Strategy 1

Mr. Lindley addressed the Board regarding recommendation to switch from California Employers' Retiree Benefit Trust (CERBT) Investment Strategy 2 to CERBT Investment Strategy 1 in order to reduce the District's total "other post-employment benefit" (OPEB) liability and cost. He

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further explained that the CERBT is utilized to fund future OPEB benefit payments, and provided a brief overview of CERBT investment strategies, historical performance, risk levels, and expected future returns. Benefits of switching to CERBT Investment Strategy 1 include: It will provide the highest yields over the long-run; the volatility risk associated with Strategy 1 poses very little, if any, risk; and, Strategy 1 allows a lower net OPEB liability to be reported on District financial statements. Strategy 1 has the highest long-term expected rate of return at 7.59% providing an estimated increase to investment earnings of \$29,000, annually.

MOTION: A motion was made by Director Holmes and seconded by Director Holbrook for the District to switch from the CERBT Investment Strategy 2 to CERBT Investment Strategy 1.

The motion passed 3 to 1 by the following vote:

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

Item #11 – Financial Statements for May 2019

Mr. Lindley had no planned report to the Board but was available for questions. The Financial Statements for May 2019 were included in today's agenda packet, Item #11.

Item #12 – Investment Reports for May 2019

Mr. Lindley had no planned report to the Board but was available for questions. The Investment Report for May 2019 was included in today's agenda packet, Item #12.

ITEM 13 WILL TAKE PLACE AFTER CLOSED SESSION AND DISCUSSION SHALL NOT COMMENCE EARLIER THAN 1:00 PM

General Counsel announced that all items in closed session would be discussed. The Board took a break at 12:20 p.m. and convened to closed session at 12:30 p.m.

Item #14 – Closed Session

14. 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

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- 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
- d. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: APNs 208-070-22, 208-160-11
Agency Negotiator: General Manager
Negotiating Parties: Michael Hat, Other Parties Unknown
Under Negotiation: Price and terms of payment

The Board reconvened to open session at 1:15 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 – Discuss and Consider Approving License Agreement for Michael Latini, 1525 Oklahoma Ave., Escalon, APN 225-060-37 (after Closed Session)

MOTION: A motion was made by Director Holmes and seconded by Director Roos to approve the license agreement for Michael Lantini, 1525 Oklahoma Ave., Escalon, APN 225-060-37, contingent upon Mr. Lantini’s removal of all encroachments upon District Property not allowed by the license agreement, and upon determination of certain dimensions and measurements to be included in the Agreement by staff.

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The motion passed 4 to 0 by the following vote:

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

Item #13 – Discussion and Possible Action to Fill SSJID Board Vacancy, District 4

The SSJID Board of Directors conducted candidate interviews for the position of SSJID Board Director for District 4. Candidates included Mr. Bryce Perkins, Mr. Michael Weststeyn, Mr. Robert Geer, and Mr. Marion “Skip” Dutra, Jr.

MOTION: A motion was made by Director Roos and seconded by Director Holmes to appoint Mr. Michael Weststeyn to the position of SSJID Board Director for District 4.

The motion passed 4 to 0 by the following vote:

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

Ms. Brown added the appointment requires notification to the San Joaquin County Registrar of Voters, and Mr. Weststeyn taking the oath of office. Immediately following the meeting adjournment, all candidates will be contacted with the final decision of the SSJID Board of Directors.

Item #15 – ADJOURNMENT

MOTION: A motion was made by Director Holbrook and seconded by Director Roos to adjourn the meeting at 2:40 p.m.

The motion passed 4 to 0 by the following vote:

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

ATTEST:

Danielle Barney, Clerk of the Board