

**MINUTES FOR THE JULY 11, 2023
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District (SSJID) 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. President Weststeyn called the meeting to order. Director Holbrook led the flag salute. Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK KAMPER ROOS SPYKSMA WESTSTEYN
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 Checks in the amount of \$338,495.25; Accounts Payable Wires in the amount of \$95,446.55; and Payroll dated June 27, 2023 in the amount of \$260.92, June 30, 2023 in the amount of \$4,203.19, June 30, 2023 in the amount of \$304,313.78.
- B. Approval of the Regular Board Meeting Minutes of June 27, 2023
- C. Approval of Notice of Completion for Thomas Street Residential Development
- D. Approval of Request for Encroachment from Dish Wireless at Lateral U

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

The motion passed 5 to 0 by the following vote:

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

COMMUNICATIONS

Item #1 – Directors’ Reports

Director Holbrook stated that there were no updates to report.

Director Spyksma stated that there were no updates to report.

Director Roos stated that there were no updates to report.

Director Kamper stated that there were no updates to report.

Director Weststeyn reported that he attended the San Joaquin Farm Bureau (SJFB) Water Advisory Committee meeting on June 27, along with Mr. Brandon Nakagawa, SSJID Water Resources Coordinator. Discussion included the announcement of a repeat North San Joaquin Water Conservation District (NSJWCD) Facilities

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Tour scheduled for July 14. Mr. Nakagawa clarified that the target participants for the tour are local growers within the NSJWCD service area.

Item #2 – Various Reports

Mr. Peter Rietkerk, SSJID General Manager, provided the Board with legislative updates on Assembly Bill (AB) 1337 – State Water Resources Control Board (SWRCB): Water Diversion Curtailment; and AB 460 – SWRCB: Water Rights and Usage: Interim Relief; Procedures. He stated that both bills have been relegated to two (2) year-bills, meaning that they may be revisited during the next legislative session.

Mr. Rietkerk announced the recent hiring of an Accountant, whose start date is July 17. He also announced the recent hiring of three (3) Division Managers (DM). Ms. Sonya Williams, SSJID Finance and Administrative Manager, added that one (1) DM will start work on July 17, and two (2) DMs will start work on July 24.

Mr. Rietkerk announced an upcoming SSJID Staff Summer BBQ and Safety Talk on July 19 at 12:00 noon, in the District Fleet Yard. Directors were welcomed to attend and invited to help cook.

ACTION CALENDAR

Item #3 – Consider Approval of “On-Call Services” Proposal from MCR Engineering, Inc.

Mr. Forrest Killingsworth, SSJID Engineering Department Manager, addressed the Board regarding authorization to issue a task order to MCR Engineering, Inc. (MCR) for miscellaneous on-call engineering and consulting services including identification of a “Designated Engineer.” He noted the SSJID Engineering Department’s evolving scope of work and upcoming large-scale, long-term rehabilitation and modernization projects identified in the Water Master Plan (WMP).

Mr. Killingsworth stated that to sustain the additional engineering workload (both long-term and near-term) and to address potential long-term employee absences, two recommendations were identified: 1) hire an Engineer (previously included in the 2023 budget); and 2) issue an “on-call services” Task Order to MCR. He explained that the task order would require that MCR identify a “Designated Engineer” who would conduct a minimum of 8-hours/week of work from the SSJID District Office allowing an opportunity to be trained from within as if he/she was a direct employee. Mr. Killingsworth detailed the proposed scope of work, and further explained that the Designated Engineer would result in a more efficient and flexible resource for the District.

Staff recommended Board authorization to issue a Task Order to MCR for miscellaneous on-call engineering and consulting services including identification of a “Designated Engineer,” for an amount not to exceed \$75,000.00, to be billed on a time and expense basis.

Board discussion concurred that a Designated Engineer was an excellent component of the Task Order. It was also confirmed that the Designated Engineer would possess a Professional Engineer (P.E.) license.

MOTION: A motion was made by Director Spyksma, seconded by Director Roos, to authorize staff to issue a Task Order to MCR Engineering, Inc., subject to the terms of the SSJID Master Professional Services Agreement, for miscellaneous on-call engineering and consulting services including identification of a “Designated Engineer,” for an amount not to exceed \$75,000.00, to be billed on a time and expense basis.

The motion passed 5 to 0 by the following vote:

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

Item #4 – Consider Approval of Machado Ranch Unit #1 Development Project in Manteca, CA

Mr. Killingsworth addressed the Board and explained that staff received proposed changes from the Developer after finalization of the staff report included in the board agenda packet. He stated that staff needs time to thoroughly review the proposed changes to the Improvement Plans before moving forward with a recommendation to the Board.

Staff requested the item be pulled from the agenda and presented to the Board at a future board meeting. The Board concurred.

The Board inquired about future phase developments, to which Mr. Killingsworth responded that any future developers and/or engineers would be required to engage in a master planning-like effort with the District which would identify requirements for control structures, easements, etc.

Item #5 – Consider Approval of Reimbursement Agreement with Turlock Irrigation District for Frankenheimer Power Canal Lining Project

Ms. Mia Brown, SSJID General Counsel, addressed the Board regarding approval of the Reimbursement Agreement with Turlock Irrigation District (TID) for the Frankenheimer Power Canal Lining Project. She explained that SSJID owns the Frankenheimer Power Plant, and that the District and TID have an existing agreement, whereby TID agrees to operate and maintain the power plant and its supply canal in exchange for hydroelectric output. Ms. Brown further explained that the supply canal is in need of repairs, which includes installation of approximately 2,000 feet of membrane lining.

SSJID will provide engineering and technical support for the project, as well as labor and materials. TID will reimburse the District for the costs of providing these services through the proposed Reimbursement Agreement. Mr. Killingsworth stated that SSJID will provide the heavy equipment and trench work labor, and detailed the scope of work.

Ms. Brown referenced the attached draft Reimbursement Agreement and noted that “Exhibit A” (SSJID Standard Rate Schedule) was inadvertently omitted from the board packet, but that it was simply a list showing the District’s standard rates, and is included in the version of the Agreement to be executed.

Mr. Rietkerk provided a brief summary of the current Small Hydroelectric Project Development Contract with TID regarding operations of Frankenheimer.

Staff recommended Board approval of the Reimbursement Agreement with TID for the Frankenheimer Power Canal Lining Project.

MOTION: A motion was made by Director Holbrook and seconded by Director Kamper to approve the Reimbursement Agreement with Turlock Irrigation District for the Frankenheimer Power Canal Lining Project.

The motion passed 5 to 0 by the following vote:

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

Item #6 – Consider Approval of Letter of Intent with Emrgy, Inc. for the Development of Hydrokinetic Turbine Pilot Project

Mr. Nakagawa addressed the Board and provided background of Board action, on May 24, 2022, which authorized the General Manager to sign a Letter of Intent (LOI) with Emrgy, Inc. (Emrgy) which provided Emrgy with exclusive rights, for a period of one (1) year, to develop a hydrokinetic turbine project on the District’s canal system. The Board had also authorized the General Manager to sign a non-disclosure agreement (NDA) to protect any proprietary information developed by Emrgy as allowed by California Law. He added that Emrgy asserts that a project financed through a long-term power purchase agreement (PPA) would produce cost savings to the District on electricity rates.

Mr. Nakagawa explained that the previous LOI is now expired, and Emrgy has requested that the District enter into a subsequent LOI for an additional one (1) year term from the date of signature. In addition, the current NDA is set to expire on June 3, 2024, two (2) years from the date it was fully executed.

Over the past year, Emrgy explored the feasibility of a hydrokinetic turbine project using SSJID’s canals. Preliminary findings indicated that canal improvements would require significant capital improvements to mitigate canal issues and increase channel velocities. Emrgy is requesting the District sign a second LOI for an additional year to further develop a funding mechanism for capital improvements, collect and analyze additional canal flow and channel geometry data, and propose a Project that would be funded through a PPA as intended.

There is no cost to the District for Emrgy’s time or expenditures in developing a hydrokinetic turbine project.

Staff recommended that the Board authorize the General Manager to sign a LOI with Emrgy for the development of a hydrokinetic turbine project utilizing District canals. Mr. Nakagawa noted that should a hydrokinetic turbine project prove feasible, the Board would have the final authority to approve such a project and the associated PPA with Emrgy.

Board expressed concern with language in the proposed LOI, page 1, paragraph 1, last two (2) lines reading “...purchaser of the electricity will be determined by Emrgy...” The Board concurred that the proposed LOI only approves a continued study to develop a hydrokinetic turbine project, but that a revision to said language is required for Board approval. Additional discussion included Emrgy units placed in the Oakdale Irrigation District (OID) canals, and confirmation of no cost to the District.

Ms. Brown stated that the draft LOI can be revised to include language allowing for joint, mutual agreement regarding the “purchaser of electricity.”

MOTION: A motion was made by Director Roos and seconded by Director Holbrook to authorize the General Manager to sign a Letter of Intent with Emrgy, Inc., including revised language as requested, for the development of a hydrokinetic turbine project utilizing District canals.

The motion passed 5 to 0 by the following vote:

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

Item #7 – Consider Approval of Purchase and Sale Agreement with City of Manteca for Solar Equipment

Mr. Bill Schwandt, SSJID Electric Utility Manager, addressed the Board regarding approval of a purchase agreement with the City of Manteca (City) for their solar project equipment. He stated that the purchased solar equipment would be used for the District’s Robert O. Schulz Solar Farm (Solar Farm) Enhanced Maintenance Project providing for the necessary maintenance to the Solar Farm, and improving the energy savings at the Water Treatment Plant (WTP).

Mr. Schwandt gave detailed explanations of the proposed equipment for purchase, usage, benefits of providing enhanced maintenance on the Solar Farm, and the six (6) year simple payback analysis on the incremental investment. He added that excess panels not utilized in the Enhanced Maintenance Project could potentially be resold or stored and used for future District projects. Staff inspected the equipment, which is currently being stored in a facility located in San Leandro, and determined the product was in good condition and of good quality.

The proposed Purchase and Sale Agreement has been reviewed by General Counsel with no issues and/or concerns identified. The purchase price is \$1.25 million.

Staff recommended the Board approve the Purchase and Sale Agreement, with the City of Manteca, for their 3.3 megawatt (MW) solar project equipment.

Board discussion included the discounted energy rates the Solar Farm provides to the City.

MOTION: A motion was made by Director Kamper and seconded by Director Holbrook to approve the Purchase and Sale Agreement with the City of Manteca, for their 3.3 megawatt solar project equipment, at a purchase price of \$1.25 million.

The motion passed 5 to 0 by the following vote:

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

Item #8 – Consider Approval of Shipping and Storage Arrangements for Purchased Solar Equipment

Mr. Schwandt distributed a revised staff report regarding approval of shipping and storage arrangements for solar equipment and explained that a quote was received, on the deadline date of July 10, after the agenda packet had been finalized.

Mr. Schwandt addressed the Board and provided two (2) options for the shipping and storage of solar equipment to be purchased from the City of Manteca: 1) Continue to store the solar equipment at the current Express Freight facility in San Leandro and move the entire inventory at one time when needed at the Solar Farm jobsite; or 2) Transfer the entire inventory from San Leandro to the proposed new storage facility in

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Tracy, store, and move as needed at the Solar Farm jobsite. He added that re-powering of the Solar Farm will take place over the Fall and Winter months therefore continued storage would be necessary, and recommended moving the equipment to the storage facility, located in Tracy, at lower storage rates.

The fiscal impact would be a not to exceed amount of \$89,100.00 which includes:

- Interim storage at Express Freight for a not to exceed one-month cost of \$6,142.00
- Twelve (12) months storage at Tracy storage facility for a total cost of \$56,000.00
- Moving equipment fees (2 moves estimated) at \$15,000.00 for Move #1, and \$10,000.00 for Move #2 for a total moving cost of \$25,000.00
- Ten percent (10%) Contingency Fee

Staff recommended Board approval of moving and storage arrangements for the purchased Solar Farm equipment, for a not to exceed amount of \$89,000.00.

Board discussion included the potential risk of damage to the solar equipment during transport, the estimated number of hauls to transfer the entire inventory of equipment, the condition and size of the proposed Tracy storage facility, the current month-to-month rent structure of the Express Freight facility in San Leandro, and the rent structure of the proposed storage facility in Tracy.

MOTION: A motion was made by Director Holbrook and seconded by Director Roos to authorize the General Manager to negotiate final terms and sign a contract or contracts for storage and/or moving services, for a not to exceed amount of \$89,000.

The motion passed 5 to 0 by the following vote:

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

Item #9 – Consider Approval of Request for Proposal for Renewable Energy Engineering Services

Mr. Schwandt addressed the Board regarding authorization to release the proposed Request for Proposal (RFP) for Renewable Energy Engineering Services: Repowering of the Robert O. Schulz 1.6 Megawatt Solar Farm. He added that the proposals are anticipated to be due on August 17, and that an analysis of the proposals and recommendation will be presented to the Board on or around the board meeting on August 22, following staff’s review and evaluation.

Mr. Schwandt detailed the RFP components including Background Information Review; Repowering Alternatives Analysis; Plans and Specifications for Construction; Operation and Maintenance Manual; and Optional Scope: Engineering Services During Construction. He noted that the optional scope would allow for the consultants to provide ideas and scope of work for potential future solar panel projects.

Staff recommended that the Board authorize release of the RFP for renewable energy services.

Board comments included the well-written RFP, potential “sharing arrangements” for the Optional Scope projects to enhance consultant commitment and accountability, the recent American Public Power Association (APPA) Conference relevant solar project resources and breakout sessions, and the broadness of the proposed RFP to encourage other innovative and complimentary technology.

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MOTION: A motion was made by Director Holbrook and seconded by Director Spyksma to authorize staff to release the proposed Request for Proposal for Renewable Energy Engineering Services: Repowering of the Robert O. Schulz 1.6 Megawatt Solar Farm.

The motion passed 5 to 0 by the following vote:

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

Item #10 to be discussed after Closed Session.

Ms. Brown announced that Closed Session Item #11.e. Public Employee Performance Evaluation, California Government Code Section 54957(b)(1), Title: General Counsel would not be discussed but rather brought before the Board at the August 8 board meeting.

It was announced that all remaining items on the Closed Session agenda would be discussed. The Board took a brief recess at 10:25 a.m. and convened to Closed Session at 10:35 a.m.

Item #11 – CLOSED SESSION

RETURN TO OPEN SESSION

The Board returned to Open Session at 12:15 p.m.

It was reported that Director Roos exited the meeting during Closed Session at 11:45 a.m.

Item #12 – ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

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 #10 – Consider Adoption of Resolution 23-19-W Adopting a Negative Declaration for the Pilot Water Transfer Project Between SSJID, Oakdale Irrigation District, and Banta-Carbona Irrigation District

MOTION: A motion was made by Director Spyksma and seconded by Director Kamper to adopt Resolution 23-19-W Adopting a Negative Declaration for the Pilot Water Transfer Project Between SSJID, Oakdale Irrigation District, and Banta-Carbona Irrigation District.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION 23-19-W**

**ADOPTION OF A NEGATIVE DECLARATION
FOR THE PILOT PROJECT TRANSFER OF WATER BY
OAKDALE IRRIGATION DISTRICT AND SOUTH SAN JOAQUIN IRRIGATION DISTRICT TO
BANTA-CARBONA IRRIGATION DISTRICT**

WHEREAS, the Oakdale Irrigation District and South San Joaquin Irrigation District (collectively called

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“Districts”) are California irrigation districts operating under and by virtue of Division 11 of the California Water Code; and

WHEREAS, Districts are the owners of certain senior water rights to the Stanislaus River, including pre-1914 appropriative water rights as recognized by the 1988 Agreement and Stipulation with the Bureau of Reclamation; and

WHEREAS, Banta-Carbona Irrigation District (“BCID”) is a California irrigation districts operating under and by virtue of Division 11 of the California Water Code; and

WHEREAS, BCID provides irrigation service from a combination of surface water and groundwater sources, and is a Groundwater Sustainability Agency in the Tracy Groundwater Subbasin; and

WHEREAS, the Districts and BCID have entered into a one-year Pilot Project Water Transfer Agreement ending on December 31, 2023; and

WHEREAS, the Oakdale Irrigation District (OID) and South San Joaquin Irrigation District (SSJID) are local public agencies and political subdivision of the State of California acting as Lead Agency under the California Environmental Quality Act (CEQA); and

WHEREAS, an Initial Study was prepared to evaluate the potential impacts of implementing the Pilot Project Transfer; and

WHEREAS, based on the Initial Study, a Negative Declaration was prepared and circulated for public review and distributed to trustee and responsible agencies via the State Clearinghouse for a 30-day review period beginning May 10, 2023 and ending on June 9, 2023; and

WHEREAS, the comments received during the public review period were evaluated and analyzed; and

WHEREAS, being no new unavoidable significant effects were identified in the comments received, no changes to the Negative Declaration were necessary, and a Notice of Determination prepared; and

WHEREAS, a Notice of Intent to Adopt an Initial Study and Negative Declaration was published in the Oakdale Leader and Manteca Bulletin on May 10, 2023, and published in the Tracy Press on May 12, 2023; and

WHEREAS, this Board of Directors, pursuant to California Public Resources Code Section 21082.1, has reviewed the Initial Study, Negative Declaration, and public comments, and has determined, that in light of the evidence, the Pilot Project will not have a significant impact on the environment.

NOW, THEREFORE BE IT RESOLVED, by this Board of Directors that:

- 1) The Pilot Project will not have a significant impact on the environment and hereby adopts the Negative Declaration; and
- 2) The Pilot Project is hereby approved; and
- 3) The Negative Declaration must also be adopted by the Oakdale Irrigation District Board of Directors as co-lead agency prior to the Notice of Determination being filed; and

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- 4) The General Manager and staff are authorized and directed to execute and file the Notice of Determination in accordance with the procedural requirements of CEQA.

PASSED AND ADOPTED this 11th day of July, 2023, by the following vote:

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

Item #13 – ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 12:16 p.m.

ATTEST:

Danielle Barney, Clerk of the Board