

**MINUTES FOR THE JULY 13, 2021
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. Director Holmes called the meeting to order and led the flag salute. Upon roll-call the following members were noted present:

DIRECTORS: HOLBROOK (via Zoom) HOLMES KAMPER 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 \$824,747.27; Accounts Payable Wires in the amount of \$1,171,637.61; and Payroll dated June 23, 2021 in the amount of \$332.08, and July 2, 2021 in the amount of \$245,179.28.
- B. Approval of the Special Board Meeting Minutes of June 17, 2021
- C. Approval of the Regular Board Meeting Minutes of June 22, 2021
- D. Approval of the Special Board Meeting Minutes of June 29, 2021

MOTION: A motion was made by Director Weststeyn 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: NONE

COMMUNICATIONS

Item #1 – Directors’ Reports

Director Kamper commented that the recent Magnacide application has resolved the algae issues in the District waterways, but there is now an overgrowth of vegetation that is rooted in the bottom of the canals.

Director Weststeyn had nothing to report.

Director Holbrook had nothing to report.

Director Holmes read aloud a card from Mrs. Ginny Roos, thanking the “SSJID Family” for the kindness and support shown to the Roos family after the passing of SSJID Board Director Ralph Roos. The card expressed Mr. Roos’ sentiment of the joy he felt being a part of SSJID.

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

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 July 12, 2021.

Mr. Peter Rietkerk, SSJID General Manager, reported on continuing issues at the Robert O. Schulz Solar Farm. Mr. Rietkerk stated that a conceptual analysis was conducted regarding recommissioning and replacement of the solar inverters, which will be presented at a future board meeting. Staff is also considering and evaluating the benefits associated with entering into an aggregation arrangement with Pacific Gas & Electric (PG&E).

Mr. Rietkerk reported that SSJID and Oakdale Irrigation District (OID) continue to engage with the Bureau of Reclamation regarding New Melones operations and the District-approved 2021 water transfer with the San Luis & Delta Mendota Water Authority.

Mr. Rietkerk reported that the US Climate Prediction Center issued a notice on July 8, 2021 regarding recent El Niño/Southern Oscillation (ENSO) predictive modeling results, noting the potential reoccurrence of La Niña conditions beginning in September 2021. There is currently a 66-percent chance of La Niña conditions occurring during November-January 2021. La Niña conditions are typically associated with dryer hydrology in California, and threaten to extend current drought conditions another year.

ACTION CALENDAR

Item #3– PUBLIC HEARING – Presentation and Public Hearing of Labor Impasse Regarding New Job Classification for SSJID Senior Division Manager

1. Opening of Public Hearing – Announced by Director Holmes
2. Presentation by Staff

Mr. Rietkerk addressed the Board regarding the public hearing and expressed that, as the General Manager, his position on the proposed topic between the SSJID workforce and team members is difficult but necessary. He introduced Mr. Che Johnson, Labor Counsel from the law firm of Liebert Cassidy Whitmore.

Mr. Johnson addressed the Board and explained the impasse procedure for this subject of negotiation which began over one (1) year ago, and stated that today's hearing and subsequent Board decision will approve or oppose the creation of the SSJID Senior Division Manager classification. He provided a timeline of the impasse and multiple negotiations regarding wages, mediation, and fact-finding procedures. Mr. Johnson summarized that the Board may move forward to approve the proposed classification with a 10-percent wage increase.

Mr. Rietkerk outlined the numerous meetings, formal mediation, and fact-finding procedures in attempts to reach settlement.

Staff recommended Board approval of the proposed SSJID Senior Division Manager classification and compensation at 10-percent above the current Division Manager wage, at Step 5.

3. Directors' Questions – None

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

4. Public Comment

Ms. Sheila Lawton, Business Representative – IBEW Local 1245, addressed the Board and explained her representation of the SSJID union members. Ms. Lawton provided a detailed account of the wage negotiations, as well as compared job descriptions and compensation of the proposed SSJID Senior Division Manager, and current SSJID Division Manager and SSJID Supervisor. In conclusion, Ms. Lawton requested the Board not impose the SSJID Senior Division Manager classification and compensation, but rather direct staff to continue negotiations for a wage increase based on supervisory duties on a night-shift.

Mr. Ryan Thrasher, SSJID Main Distribution Canal (MDC) Operator, addressed the Board and articulated that the SSJID union members’ rejection of the proposed job classification was based on wages as well as the job description.

Mr. Tom Lindsey, SSJID Mechanic Helper, addressed the Board and commented that the proposed wage is the biggest factor, but that employees have also requested the proposed job title and job description be revised.

Mr. Colin Sparkman, SSJID Division Manager, addressed the Board via the online Zoom meeting platform and explained that the additional Division Managers the District currently deploys, often referred to as “Rovers,” “float” the District’s six (6) irrigation divisions and provide support to the respective division managers as needed. Mr. Sparkman expressed the value of SSJID’s experienced employees and explained that the District’s irrigation staff runs water efficiently and differently than any other agency. He concluded that employees want more responsibility but opined the proposed job classification does not match the proposed compensation.

Mr. Rietkerk thanked Ms. Lawton, Mr. Thrasher, Mr. Lindsey, and Mr. Sparkman for their comments. He stated the importance of the proposed position to provide consistent communication between the night staff and daytime staff. Mr. Rietkerk added that the proposed position, presented to him by Mr. Frank Avila, SSJID Irrigation Operations Supervisor, and Mr. Joe Hasten, SSJID Irrigation Services Supervisor, was developed to address Division Manager concerns, and make available an opportunity to provide employees with an increased level of responsibility and commensurate compensation.

5. Close of Public Hearing – Director Holmes expressed his appreciation for all parties involved in the negotiation process and the public hearing.

Item #4 – Consider Approval and Implementation of SSJID Senior Division Manager Classification and Compensation

Ms. Mia Brown, SSJID General Counsel, stated that the Board can render a decision now, or defer until after further discussion in Closed Session. She added that the matter to defer must be decided by Board vote.

MOTION: A motion was made by Director Weststeyn and seconded by Director Kamper to defer Agenda Item #4 – Consider Approval and Implementation of SSJID Senior Division Manager Classification and Compensation, and render a decision following Closed Session, in Open Session.

The motion passed 4 to 0 by the following vote:

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

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

Item #5 – Coronavirus (COVID-19) Update

Mr. Rietkerk reported that staff is currently updating the SSJID COVID-19 Action Plan in accordance with recent changes made to the California Department of Industrial Relations – Division of Occupational Safety and Health (Cal/OSHA) COVID-19 Prevention Emergency Temporary Standards.

Item #6 – Consider Approval of Accelerated Payment of Unfunded Pension Liability

Mr. Bere Lindley, SSJID Assistant General Manager, addressed the Board regarding the District’s unfunded pension liability of approximately \$15 million, and proposed payment plan alternatives of 1-year, 3-years, 10-years, for comparison to the default payment plan required by PERS which is 24 years. He introduced Mr. Ira Summer, Actuarial Engineering Head at Govinvest. Mr. Lindley displayed a PowerPoint presentation which outlined the purpose of an early pay-off of SSJID’s unfunded pension liability, background information to evaluate the proposal, and analysis of the pay-off alternatives.

Ms. Sarah Bloom, SSJID Management Accountant, displayed slides and provided a detailed explanation of the funding method for District’s pension plans; the sources of funding; economic and demographic assumptions required for actuarial calculations including mortality risks; historical factors impacting funded status; and investment events and concerns.

Mr. Summer addressed the Board via the online Zoom meeting platform, and explained the California Public Employees Retirement Systems (CalPERS) historic investment returns; the history of the unfunded accrued liability (UAL); and the estimated reduction of the UAL in 2021 from \$15 million to \$9 million, based on CalPERS extraordinary investment yield of 21-percent on pension assets for the year ended June 30, 2021. He also explained that, under the Public Employees’ Pension Reform Act (PEPRA) law, the strong investment results of the past year trigger a 0.2% drop in the discount rate which will increase the UAL slightly. These two factors together might change the UAL to approximately \$11 million. Furthermore, additional future increases, of unknown amounts, in the discount rate are expected. He supported the proposal for an early pay-off of the unfunded pension liability. Mr. Summer thanked the Board for their time and exited the meeting at 11:01 a.m.

Mr. Lindley presented the alternative pay-off strategies of 1-year, 3-years, 10-years, and the default CalPERS plan of 24 years, which listed the yearly cash savings, total cash savings, internal rate of return (IRR), and the opportunity cost of foregone investment earnings. With a \$15 million UAL, the 1 year payoff proposal would produce nondiscounted cash savings totaling over \$11 million as compared to the default PERS payment plan. The exact amount of SSJID’s UAL will not be known until the effects of the extraordinary investment yields of the past year and the change in the discount rate are analyzed. He also displayed a slide depicting the effect on the District’s cash reserves of a 1-year, a 3 year, and a 10-year pay-off over the next 15 years to show how quickly the accelerated liability payments are recovered through avoided annual payments under the default PERS payment plan.

Staff recommended Board approval of immediate full payment of the current amount of the unfunded pension liability, and explained that the exact amount of the payoff will be determined after analyzing the effects of the recent, unexpectedly high investment yields on pension assets.

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

Board discussion included the alternate pay-off strategies and effects to the District's cash reserves, to which Mr. Lindley stated that the SSJID Reserves Policy established and earmarked a reserve for this purpose. Additional discussion included the current availability of cash for immediate pay-off of the unfunded pension liability; the possibility that a new unfunded pension liability could arise in the future; and the fact that immediate payoff will result in more money for large future projects (e.g. Canyon Tunnel).

Director Holbrook thanked Mr. Lindley and Ms. Bloom for an excellent and informative presentation. Mr. Rietkerk commented that it is good practice to pay-off outstanding debts, and added that paying off the unfunded pension liability will place the District in an opportune position to strengthen underlying pension benefits for employees and employer.

MOTION: A motion was made by Director Holbrook and seconded by Director Weststeyn to approve immediate full payment of the current amount of the unfunded pension liability with the exact amount of the payoff to be determined after analyzing the effects of the recent 21% investment yield and the changes in the discount rate.

The motion passed 4 to 0 by the following vote:

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

Item #7 – Update of the 2021 Stanislaus River Watershed Sanitary Survey Final Report

Mr. Ed Erisman, WTP Manager, addressed the Board and explained that the Stanislaus River Watershed Sanitary Survey (WSS) is conducted every five (5) years as a requirement of the California Surface Water Treatment Rules. The 2021 Stanislaus River WSS was completed by Water Quality & Treatment Solutions, Inc., and sent to SSJID on June 29, 2021, and to the California Department of Water Resources (DWR) on June 30, 2021. Mr. Erisman further explained that the WSS reviewed ten (10) different potential contaminant sources including irrigated agricultural lands, livestock, wastewater operations, and public access recreation and that findings concluded most categories presented a low to medium risk to water quality in the Stanislaus River watershed.

Mr. Erisman provided brief summaries of the WSS contents including Watershed Characteristics and Infrastructure; Potential Contaminant Sources; Water Quality; and Conclusion and Recommendations. In conclusion the WSS made nine (9) recommendations to the Stanislaus/Calaveras River Group. The recommendations specific to SSJID included:

1. Algae should continue to be monitored at Woodward Reservoir and the frequency of monitoring should be increased.
2. Increase the frequency of the annual holiday microbiological monitoring program in Woodward Reservoir and conduct the monitoring on a monthly basis at the same five locations to better understand the levels of total coliforms and E. coli during different times of the year.
3. Add weekly microbiological monitoring one (1) month before and one (1) month after music festivals at Woodward Reservoir.

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

Mr. Erisman stated that staff has already increased the microbiological monitoring to a monthly basis and will also be implementing the weekly samples before any planned music festivals. The total cost for SSJID's portion of the WSS is \$43,094.84.

The Board inquired whether issues regarding terrorist attacks are included in the WSS, and if this should be an area of concern. Mr. Erisman responded that staff is currently working on a risk assessment, and reassured the Board that it would take an enormous amount of chemicals to affect WTP operations.

Item #8 – Discuss and Provide Direction to Staff Regarding Procedures to Address Board Vacancy

Ms. Brown addressed the Board regarding the Government Code procedures for filling a vacancy on the Board. Per statute, a vacancy may be filled by either election or appointment. If the vacancy is to be filled by appointment, the appointment must be made within 60 days of notification of the vacancy. The District's deadline to appoint is August 22, 2021.

Ms. Brown explained the processes to fill the vacancy by Board appointment, and that notice must be published 15-days prior to making an appointment. She added that if the Board wished to fill the vacancy by election, it would not be held until November 9, 2021, and the District would be responsible for paying San Joaquin County for all costs associated with the election. Public notices of the Board vacancy will be posted in three (3) public locations within District 2, in the Manteca Bulletin, and on the District website. Applications will be available on the District website, and the District Office front counter.

The Board reached consensus to fill the vacant seat for SSJID Board Director for District 2 by appointment; that the application deadline shall be August 2, 2021; to hold a Special Board meeting (or meetings) August 3 to August 9 to interview candidates; and that the individual will be appointed at the SSJID Regular Board meeting on August 10, 2021.

MOTION: A motion was made by Director Kamper and seconded by Director Weststeyn to fill the vacant seat for SSJID Board Director for District 2 by Board appointment; that the application deadline is August 2, 2021; to hold a Special Board meeting (or meetings) August 3 to August 9 to interview candidates; and that the individual will be appointed at the SSJID Regular Board meeting on August 10, 2021.

The motion passed 4 to 0 by the following vote:

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

Item #9 – Consider Approval of Letter to San Joaquin County Local Agency Formation Commission (LAFCo) Regarding SSJID Notice of Resolution of Intent to Submit Applications for Annexation of APNs 205-060-20; 245-260-15; 254-260-16; 245-260-18; and 245-260-19

Ms. Brown addressed the Board and stated that the Board had previously approved annexation of the properties in question, which LAFCo had accepted. The TeVelde properties have now been subdivided and staff is recommending Board approval for staff to notify LAFCo that SSJID will consider adopting a resolution of application for the annexation of the following parcels of real property: APNs 205-060-20, 245-260-25, 245-260-16, 245-260-18, and 245-260-19. The formal adoption of resolution is anticipated to come before the SSJID Board of Directors at its regular meeting on August 10.

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

MOTION: A motion was made by Director Weststeyn and seconded by Director Kamper to approve the letter to San Joaquin County Local Agency Formation Commission regarding SSJID Notice of Resolution of Intent to Submit Applications for Annexation of APNs 205-060-20; 245-260-15; 254-260-16; 245-260-18; and 245-260-19.

The motion passed 4 to 0 by the following vote:

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

Item #10 – Consider Approval of SSJID 2021 Mid-Year Budget Update (2021 Budget Amendment #2)

Ms. Bloom addressed the Board regarding the SSJID Mid-Year Budget Update (2021 Budget Amendment #2) and update to the Five Year Plan of Major Expenditures, and explained that the budget is a “plan” to which changes require a formal amendment to the plan. She provided detailed explanations of the effects on the 2021 budget, a projected income statement for 2021, and projected cash flows for 2021.

The proposed budget amendment incorporates changes in plans for the coming construction season, increases general and administrative expenses for consulting work relating to a salary survey and recreational facility study, and corrects an error in the original budget.

Mr. Forrest Killingsworth, SSJID Engineering Department Manager, addressed the Board and detailed changes in the capital projects including the addition of one (1) automated gate project; a reduction in SCADA projects scheduled for 2021-2022; removal of several pipeline replacement projects in favor of pipeline rehabilitation lining projects; and that Joint Supply Canal rockslope maintenance will not be conducted this year. He added that larger projects are upcoming in fall of 2022.

Mr. Rietkerk commended staff on the coordinated efforts of the budget process and stated the budget is in alignment with projects scheduled for this year and in future years.

Ms. Bloom concluded by explaining that Board adoption of the amended budget grants approval for staff to carry out the plan of action intended by the budget including district operations and procurement for goods or services necessary for capital assets identified in the capital budget, but that Board approval of the Five Year Plan of Major Expenditures does not grant approval to undertake the projects or purchases identified in the Five Year Plan. She acknowledged the Engineering and Irrigation Operations Departments on their contributions to the budget amendment.

Staff recommended Board approval of the SSJID Mid-Year Budget Amendment (2021 Budget Amendment #2) and update of the Five Year Plan. Copies of the Proposed 2021 Budget; Supplemental Budget Information; and Proposed Five Year Plan of Major Expenditures Years 2021-2025 were included in Agenda Item #10, as Attachments A, B and C, respectively.

Board discussion included the importance of moving forward and completion of the On-Farm Meter Project; evaluation of the technology utilized in the District to implement the project; the need to evaluate objectives and alternatives to provide optimal value to District customers; and costs.

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

MOTION: A motion was made by Director Weststeyn and seconded by Director Kamper to approve the SSJID 2021 Mid-Year Budget Update (2021 Budget Amendment #2) and update to the Five Year Plan of Major Expenditures.

The motion passed 4 to 0 by the following vote:

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

It was announced that all items listed in the Closed Session agenda would be discussed. The Board took a brief recess at 11:40 a.m. and convened to Closed Session at 11:50 a.m.

Item #12 – CLOSED SESSION

- 12. a. Conference with Legal Counsel – Anticipated Litigation
 Initiation of litigation pursuant to paragraph (4) of subdivision (d) of
 Government Code Section 54956.9
 - 6 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
 - 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*

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

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

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

Jana Lynn Woodbridge Apartments, LLC vs. South San Joaquin Irrigation District
San Joaquin County Superior Court
STK-CV-UPI-2021-0002339

Dave Hegarty vs. SSJID et al.
San Joaquin County Superior Court
STK-CU-UF-2021-0002552

- 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: Land
Negotiating Parties: AT&T
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 Employee Performance Evaluation
California Government Code Section 54956(b)(1)
Titles: General Counsel

**MINUTES FOR THE JULY 13, 2021
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

RETURN TO OPEN SESSION

The Board reconvened to Open Session at 12:47 p.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 #4 – Consider Approval and Implementation of SSJID Senior Division Manager Classification and Compensation

MOTION: A motion was made by Director Kamper and seconded by Director Holbrook to approve and implement the SSJID Senior Division Manager classification, and compensation at 10-percent above the current Division Manager wage scale.

The motion passed 3 to 1 by the following vote:

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

The Board took a brief recess at 12:50 p.m. and convened to Closed Session at 1:00 p.m.

The Board reconvened to Open Session at 3:04 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 #14 – ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 3:06 p.m.

ATTEST:

Danielle Barney, Clerk of the Board