Manteca, California
August 9, 2016

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at 9:00 a.m. President Holmes 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, Assistant General Manager Bere Lindley, General Counsel Steve Emrick, Engineering Department Manager Sam Bologna, and Julie Vrieling.

Public Comment - None

CONSENT CALENDAR

A. Approval of South San Joaquin Irrigation District's warrants and payroll.

B. Approval of Board Meeting minutes of July 26, 2016.

General Manager, Peter Rietkerk noted in Item 5, his communications report in regards to New Melones should read "storage of New Melones", in place of "level of New Melones".

Director Kuil noted that in his communications report in Item 5, "filtered discharge" should be added to the policy regarding sumps; it should read "policy regarding sump and filtered discharge water".

C. Authorize staff to sign plans for the Alexandra Place subdivision in Ripon.

A motion was made by Director Holmes and seconded by Director Kuil to accept the Consent Calendar with the changes noted above. The motion passed 5 to 0 by the following roll call vote:

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

ACTION CALENDAR

Item #1 – Authorize Purchase of Windows 10 / Office 2016 Upgrades.

IT Systems Administrator Michael O'Leary addressed the Board stating that it has been several years since the District's last upgrade. Currently the District is using Windows 7 Operating System and Office 2010 Suite which were released in 2009, we are now several versions behind.

Recently Microsoft announced its intention to cease support for these products. The end of the current upgrade's life will be in one to two years. He noted he is getting a jump start on the process and is currently testing the upgrade to ensure compatibility. Director Holbrook stated that in order to keep up with security, an upgrade should be installed at least every 10 years. Director Kamper questioned when the next upgrade would be coming, pointing to the fact that computers and software technology become obsolete relatively quickly. Mr. O'Leary assured him there will only be revisions in the future, not updates. General Counsel Steve Emrick asked if there were any issues communicating with people outside the District that did not have the upgrade, Mr. O'Leary said this will not create any issues.

A motion was made by Director Kuil and seconded by Director Holbrook to go with staff recommendation to authorize the upgrade and implementation of Windows 10 and Office 2016. The motion passed 5 to 0 as follows:

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

Item #2 – Approve Bid for M2 Exterior Tank Painting for Water Treatment Plant.
Water Treatment Plant Manager Ed Erisman addressed the Board; the City of Manteca has four pump stations that the WTP staff operates and maintains as part of our transmission system. Of those four stations, the M2 and M3 pump stations use 1-million-gallon storage tanks as a buffer before entering the cities distribution system. These steel tanks are outdoors and exposed to the elements. After a recent inspection and pressure wash, it was discovered that the storage tank at M2 is in need of repair. There are several places on the storage tank where the paint has peeled off and it is due for another coat of paint. Because this tank is outdoors 24 hours per day, it has the potential to corrode if it isn't properly protected from the elements.

Joaquin Painting came in with the lowest bid at $27,450. Director Holbrook asked about the quality of Joaquin Painting's work, Ed assured him of the good quality as they have used them in the past. He noted that the only problem they have had with them in the past was a safety issue, to ensure safety at this job site, Safety Compliance Officer Walt Luihn and Charles Galea will be overseeing the project.

A motion was made by Director Holbrook and seconded by Director Roos to go with staff recommendation to accept the fiscal year ending 2017 budget adjustment and accept the quote from Joaquin Painting to paint the exterior of the M2 storage tank. The motion passed 5 to 0 as follows:

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

Item #3 – Consider 2017 Water Rates and Adopt Resolution #16-10-B Documenting Those Rates.

General Counsel Steve Emrick addressed the Board in regards to the resolution setting the water rates for 2017. All of the rates to be adopted by approval of the resolution would be at the same level as those in effect in 2016, with the exception of the pressurization charge. As to that charge, the $34 electricity portion of the pressurization charge is subject to automatic adjustment for inflation in each year for 5 years based on the increased cost of electricity in the pressurized system's electric cost over the previous year. This is described in the Board's motion adopted at the February 23, 2016 meeting, which contained the following language:

> *The $34 electricity component would adjust annually for inflation or deflation of electric costs incurred by the pressurized system after 2016. The previous calendar year's actual cost of electricity used for pressurization is designated as the inflation index to determine the electric component of the following year's pressurization rate. The inflation feature would expire after 5 years.*

The resolution would adjust the $34 component of the pressurization charge based on staff's calculation of the increased cost per acre-foot of the pressurized system's cost of electricity in 2016 over 2015. The District's 2016 electric cost for the pressurization system will not be known until after the end of the current water season. When that component is calculated, staff will provide notice to all customer's subject to the rate as provided in the resolution. If the Board should decide not to adjust the pressurization charge in 2017, the resolution can be modified accordingly. Mr. Emrick explained that an adoption was necessary at this time because of the possible agreement with San Joaquin County for assessment processing.

Director Holbrook felt it was important to stay with the rates adopted, whether they go up or down, as a result of the calculation.

Mr. Emrick confirmed that each year the Board has the choice not to apply the adjustment.

Director Kuil questioned the inflationary adjustment, he stated he would prefer to leave the electricity component out of the resolution. Mr. Lindley and Mr. Emrick re-iterated that the 2017 charges would be based on the 2016 actual costs and said the Board would be advised of the formula used for the electricity charge decrease or increase at the time of calculation.

A motion was made by Director Holbrook and seconded by Director Kamper to go with staff recommendation and adopt Resolution No. 16-10-B, Resolution to Reaffirm Charges for Services Furnished by the District. The motion passed 5-0 by the following roll call vote:

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

SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 16-10-B
RESOLUTION TO REAFFIRM CHARGES FOR
SERVICES FURNISHED BY THE DISTRICT
AUGUST 9, 2016

WHEREAS, Irrigation District law provides authority for the District, in lieu, in whole or in part, of levying assessments, to fix and collect charges for any service furnished by the District and to prescribe reasonable rules with respect to said charges; and

WHEREAS, the District currently charges a flat rate charge ("Flat Rate Charge") of $24.00 per acre per year for water service to each parcel in the District on which District-supplied surface water is used for irrigation, with a minimum charge of $50 per year, and

WHEREAS, the District currently charges a groundwater recharge charge ("Ground Water Recharge Charge") of $12.00 per acre per year to each parcel in the District of 10 acres or more which is subject to a recorded Irrigation Service Abandonment Agreement, and on which crops are commercially grown, and

WHEREAS, on July 31, 2012, the District approved an additional volumetric charge of $3 per acre foot ("First Tier Volumetric Charge"), and on September 22, 2015 limited the First Tier Volumetric Charge to the first 48 inches of water used per year, and on the same date approved an additional volumetric charge of $10 per acre-foot water rate for water used in excess of 48 inches per year starting in 2016 ("Second Tier Volumetric Charge"), and

WHEREAS, on July 13, 2010, the District imposed an ongoing pressurized water charge for customers served with pressurized water by the District's Irrigation System Improvement Project ("Pressurization Charge") and on February 23, 2016, increased the charge to $44 per acre foot consisting of $34 per acre-foot for recovery of electricity expense, subject to adjustment with inflation, and $10 per acre-foot for replacement of capital assets, which is not subject to an annual inflation adjustment. The electricity expense component of the Pressurization Charge will be adjusted for the 2017 water year for the change in the District's cost of electricity, on a per acre-foot basis, experienced by the pressurized water system in the 2016 water year. When the percent increase in the District's electric cost for the pressurized water system for the 2016 water year from the cost for the 2015 water year is calculated, the percent increase will be applied to electricity expense component of the Pressurization Charge for the 2017 water year. Notice of the increased electricity expense and the resulting increase in the Pressurization Charge shall be given by mailing to each customer subject to the Pressurization charge at the address to which the District customarily mails the billing statement for the Pressurization Charge and to the record owner's address shown on the last equalized assessment roll, if that address is different than the billing address, and

WHEREAS, the District declares the following with respect to the Flat Rate Charge, Ground Water Recharge Charge, First Tier Volumetric Charge and Second Tier Volumetric Charge and Pressurization Charge:

(1) The revenues derived from these charges do not exceed the funds required to serve the subject properties.

(2) The revenues derived from the charges will not be used for any purpose other than that for which the charges are imposed.

(3) The amount of a charge imposed shall not exceed the proportional cost of the service, and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that pursuant to Sections 22280 and 22283 of the Water Code, Flat Rate Charge, Ground Water Recharge Charge, First Tier Volumetric Charge, Second Tier Volumetric Charge and Pressurization Charge shall remain in effect at their current levels for the 2017 calendar year as follows, subject to the exception for an inflation increase in the electric cost component of the Pressurization Charge noted above in the recitals, and subject to the following rules:

RULE NO. 1-1: Subject to rule number 1-2, for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, there shall continue to be charged for the use of District water, an annual Flat Rate Charge of **$24.00** per acre, which is due on receipt and payable in two installments. The first installment is delinquent if not paid by 4:30 p.m. on December 20, 2016 and the second is delinquent if not paid by 4:30 p.m. on June 20, 2017. There shall also continue to be charged a First Tier Volumetric charge of $3 per acre-foot for the first 48 inches and a Second Tier Volumetric charge of $10 per acre-foot for water used in excess of 48 inches. Those parcels which receive pressurized water from the District's Irrigation System Improvement Project, shall, in addition, continue to pay an annual tiered rate pressurized water usage charge of $44 per acre foot used on each acre in the same calendar year, as adjusted for the increase in the District's electric cost for the pressurized water system for the 2016 water year from the cost for the 2015 water year, as described above. Customers will be billed monthly for volumetric use of District water and for pressurized water. The area served by the District's Irrigation System Improvement Project is shown in Exhibit A. The District will deny water service to any land having outstanding base charges in excess of ten (10) working days or having outstanding volumetric charges in excess of at least $9 for 90 days.

RULE NO. 1-2: Subject to rule number 3-1, for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the minimum billing (charge) for the Flat Rate Charge shall continue to be **$50.00**.

RULE NO. 2-1: Subject to rule number 2-2, for those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are used to grow commercial crops but which, (a) choose not to utilize District water service, and (b) which are the subject of an approved District Irrigation Service Abandonment Agreement, there shall continue to be an annual Ground Water Recharge Charge of **$12.00** per acre for the benefits derived from groundwater recharge. The Groundwater Recharge Charge is due on receipt and payable in two installments. The first installment is delinquent if not paid by 4:30 p.m. on December 20, 2016 and the second is delinquent if not paid by 4:30 p.m. on June 20, 2017.

RULE NO. 2-2: Subject to rule number 3-1; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the Ground Water Recharge Charge only applies to parcels of 10 acres or more.

RULE NO. 3-1: Those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are not used to grow crops or which do not utilize District water service may be exempted from the District Flat Rate Charge and those separate parcels which do not utilize District water service and which are not used to grow crops may be exempted from the Ground Water Recharge Charge, provided the owners of such lands enter into an "Irrigation Service Abandonment Agreement" with the District covering same and provided further, there are no outstanding amounts owed to District for water service on such lands.

RULE No. 4-1: If the District contracts with the County of San Joaquin to collect the District's Flat Rate Charge and Ground Water Recharge Charge for the 2017 water year, then collection of such charges, including past-due charges from previous years, shall be the responsibility of San Joaquin County and the first installment of such charges will be delinquent if not paid by the customer to the County by December 10, 2016 and the second installment of such charges will be delinquent if not paid by the customer to the County by April 10, 2017.

PASSED AND ADOPTED this 9th day of August, 2016 by the following roll call vote:

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

Item #4 – Approve Amendment to Collection Policy #2000-01-F.
General Counsel Emrick addressed the Board in regards to the District's collection policy. The District's collection policy was adopted in the year 2000, before the District adopted volumetric rates. This amendment takes those charges into account. In addition, since 2000, there have been changes in the Water Code that should be incorporated into the policy. Finally, the District is considering contracting with the County to collect the District's flat-rate water charges and a provision has been added to address that issue. In particular, the District will not be required to take action in the future to collect unpaid flat rate water charges so long as the County is responsible for collecting.

Robin Giuntoli stated that a public notice will be posted once the rates are adopted. Mr. Emrick noted that it is not required to publish notice.

Director Holmes felt it important to alert the District's customers as to these changes. Troylene Vallow said that she would be including this information in the customer newsletter, as well as on the District website. Director Holmes re-iterated that he would like the rates to be clear and be put in the customer newsletter one time per year.

Director Kamper suggested they skip to Item #5 – Authorize Staff to Enter Into Agreement with San Joaquin County for Assessment Processing and Approve Resolution #16-11-F, before voting on this item, Item #4. The Board agreed to move to Item #5 at this time (see below).

Item #5 – Authorize Staff to Enter Into Agreement with San Joaquin County for Assessment Processing and Approve Resolution #16-11-F.

Robin Giuntoli addressed the Board in regards to the Direct Assessment Processing. She indicated that staff is recommending entering into an agreement with San Joaquin County for collections of our past-due and upcoming base irrigation and recharge fees. Historically, the District has processed this billing in-house. After careful evaluation of the option to contract with San Joaquin County for the billing and collections of these fees, it has been determined that it will greatly improve operations in the finance department, along with offering a convenience to our customers by having the SSJID billings combined with property tax bills. Several processes will be eliminated in our collection cycle that more than makes up for the fee we will be paying to the county. We will no longer pay for custom statements, envelopes, return envelopes or postage on the annual billing, the first installment delinquent letter and the certified postage fees for the second installment delinquent letter. There are currently twenty-six liens filed by us on property within our boundaries for unpaid irrigation fees and an additional forty-one parcels that will go into lien on September 1 of this year. If the proposed Resolutions are adopted all funds due the District by landowners will be paid to us by San Joaquin County and they will assume the risk of collection.

Mrs. Giuntoli has contacted three other agencies and all have been thrilled with the County taking over collections. She stated that the Finance Department has done an immense amount of preparation work in getting the necessary information to the County and has worked through all scenarios in the billing and collection process.

Troylene Vallow asked if the County tax bill will specify District charges; Mrs. Giuntoli said that the District name and phone number will be listed on the specific line item with the related charge.

General Counsel Steve Emrick indicated that there is a minimum four-year contract and the length of the obligation following is unknown. Mrs. Giuntoli noted that the District obligation only consisted of a deadline to get the necessary information to them. Mr. Emrick said the contract will automatically renew unless a 90-day notice has been given.

Director Kamper suggested a change in the last paragraph beginning with WHEREAS following (v); rather than "remain in effect for _____ years and is automatically renewed", replace with "remain in effect from year to year".

A motion was made by Director Holbrook and seconded by Director Kamper to go with staff recommendation of entering into an agreement with San Joaquin County to process assessments and approve Resolution #16-11-F with the changes Director Kamper suggested.

The motion passed 5-0 by the following roll call vote:

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

SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION 16-11-F
AUTHORIZING SAN JOAQUIN COUNTY TO COLLECT BASE CHARGES AND GROUND WATER RECHARGE FEES
AUGUST 9, 2016

WHEREAS, the South San Joaquin Irrigation District ("District") annually imposes various charges for water service, including a flat rate charge per acre for irrigation service ("base charges") and for ground water recharge service ("ground water recharge fees") that are due in two annual installments and volumetric water charges that are due in accordance with periodic billing statements ("Volumetric Charges"), and

WHEREAS, Section 22284 provides that when any charges fixed for services under Section 22280 become delinquent, the charges may be collected in accordance with procedures specified in Water Code Section 25806, and

WHEREAS, Section 25806 provides that in case any charge for water and other services or either of them remain unpaid, the amount of the unpaid charges may at the discretion of the district be added to and become a part of the annual assessment levied upon the land upon which the water for which the charges are unpaid was used and upon the real property subject to the charges for any other district services and may constitute a lien on that real property or be secured at any time by filing for record in the office of the county recorder a certificate as described in Section 25806, and when the charges become delinquent, they may be collected in the manner provided for the collection of delinquent assessments in Chapter 5 (commencing with Section 26075) and Chapter 6 (commencing with Section 26225) of Part 10 of Division 11 of the Water Code, and

WHEREAS, the District's base charges, ground water recharge fees and Volumetric charges have been adopted in compliance with applicable law, including Proposition 218, which was adopted by the voters in November, 1996, or are exempt from Proposition 218's provisions.

WHEREAS, the Water Code authorizes the District to contract with San Joaquin County ("County") to collect District's water charges; and

WHEREAS, District desires to contract with County for the County to collect the base charges and ground water recharge fees imposed by the District on its landowners commencing with the 2017 water year, and to collect past-due charges from previous years; and

WHEREAS, the terms of the contract include that (i) current year charges will be delinquent on the same hour and day that County taxes are delinquent and will be declared tax-defaulted as for County taxes, (ii) County will remit the full amount of District's charges billed to its customer at the same time that County remits to District its property tax subvention and County will assume all responsibility for collection of unpaid charges; (iii) County will charge District the lesser of 1% or $3 per charge on a parcel for its services; (iv) the contract does not in any way change or modify the agreement between the District and the County for Proposition 13 subvention allocations and funds, and (v) the contract will take effect for the first installment of base charges and ground water recharge fees for the 2017 water year and remain in effect from year to year unless notice of termination is given by either party to the other at least 90 days before the expiration date on September 1 of each year,

NOW THEREFORE BE IT RESOLVED: that the District agrees to contract with County to collect the base charges and ground water recharge fees imposed by the District on its landowners, commencing with the charges due for the 2017 water year, as such charges may be modified in the future in accordance with applicable law and to collect past-due charges for previous years on the terms set forth above.

BE IT FURTHER RESOLVED: that a certified copy of this resolution, the documents presented by County for the District's approval, which have been duly executed by the District's general manager, documentation evidencing the past-due charges and the Board's adoption of the base charges and ground water recharge fees and such other documentation as County may reasonably require, shall be delivered by District staff to County's Auditor-Controller.

PASSED AND ADOPTED this 9th day of August 2016, by the following roll call vote:

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

Item #4 – Approve Amendment to Collection Policy #2000-01-F CONTINUED.
After returning from the discussion and vote on Item #5, Mr. Holmes questioned the relevancy of the publication dates; Mr. Kamper suggested we strike that section of the resolution.

Mr. Emrick suggested modifying iii) on page three of the resolution to read as follows: iii) District shall publish notice each year in the local newspaper listed after the Board has adopted base charges and groundwater recharge fees for the next water year, at least 30 days before the first payment due date.

A motion was made by Director Holbrook and seconded by Director Roos to go with staff recommendation and adopt Resolution No. 2000-01-F, Amended Policy Governing Collection of Fees, Charges, and Penalties to include changes Mr. Emrick suggested.

The motion passed 5-0 by the following roll call vote:

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

SOUTH SAN JOAQUIN IRRIGATION DISTRICT
POLICY GOVERNING COLLECTION OF FEES, CHARGES, AND PENALTIES
RESOLUTION 2000-01-F
AMENDED AUGUST 9, 2016

WHEREAS, the South San Joaquin Irrigation District ("District") desires to adopt certain charges and penalties relative to the administration and processing of certain provisions of the California Water Code (hereinafter identified by "Section" only), and

WHEREAS, Section 22280 provides the authority for a District to fix and collect charges in lieu in whole or in part of levying of assessments, and

WHEREAS, Section 22283 provides that a district may prescribe reasonable rules to carry out the provisions of Article 3 of Chapter 2 of Part 5 of Division 11 of the Water Code, and

WHEREAS, Section 25655 provides that a district may in lieu either in whole or in part of levying the annual assessment for district purposes use any revenue derived prior to or during the next ensuing calendar year from charges which the district may fix and collect pursuant to Section 22280, and

WHEREAS, the District annually imposes various charges for water service, including a flat rate charge per acre for irrigation service ("base charges") and for groundwater recharge service ("groundwater recharge fees") that are due in two annual installments, and water charges based on the volume of water delivered that are due in accordance with periodic billing statements ("Volumetric Charges"), and

WHEREAS, Section 22284 provides that when any charges fixed for services under Section 22280 become delinquent the charges may be collected in accordance with procedures specified in Water Code Section 25806, and

WHEREAS, Section 25806 provides that in case any charge for water and other services or either of them remain unpaid, the amount of the unpaid charges may at the discretion of the district be added to and become a part of the annual assessment levied upon the land upon which the water for which the charges are unpaid was used and upon the real property subject to the charges for any other district services and may constitute a lien on that real property or be secured at any time by filing for record in the office of the county recorder a certificate as described in Section 25806, and when the charges become delinquent, they may be collected in the manner provided for the collection of delinquent assessments in Chapter 5 (commencing with Section 26075) and Chapter 6 (commencing with Section 26225) of Part

10 of Division 11 of the Water Code, and

WHEREAS, Section 26077 provides that the collector shall collect on delinquent assessments for the use of the district, penalties amounting to five percent (5%) when assessments are not payable in installments and when payable in installments ten percent (10%) on the first installment and five percent (5%) on the second, and

WHEREAS, Section 26078 provides that upon the assessment, if not payable in installments, or the second installment of it, if payable in installments, becoming delinquent, the collector shall collect, in addition to the assessments due on the delinquent list and the penalties added, costs in the sum of five dollars ($5) on each parcel of land separately assessed, and may collect costs of publication of the list of delinquencies and notice as required by Section 26105, and

WHEREAS, Sections 26102-26108 provide details relating to the publication of a delinquent list and specifically Section 26107 provides for the Board of Directors to designate which newspapers of general circulation within the district it elects for the delinquent list to be published, and

WHEREAS, Sections 26125-26132 provide details relating to the sale of property when same is delinquent in amounts owed to a district and specifically Section 26128 provides that on the day fixed for the sale in the published notice or on a subsequent day to which the collector may have postponed it, the collector shall sell to the district the whole amount of each parcel of property separately assessed upon which the assessments remain unpaid, and

WHEREAS, Section 26134 provides that the district as purchaser may assign any certificates of sale for a consideration of not less than the amount of the assessment, penalties, and costs, and

WHEREAS, Section 26225 provides that property sold for delinquent assessments may be redeemed within five years from the date of sale, or thereafter before a collector's deed of the property has been delivered; and provides that redemption before a collector's deed of the property has been delivered may be made by payment to the collector of the amount for which the property was sold plus a penalty equal to the annual adjusted rate established by the Franchise Tax Board, and

WHEREAS, Section 26225 also provides that should redemption occur after a collector's deed has been delivered it may be made by payment of the total of the following amounts: i) The total of the amount of the sale shown on each certificate of sale outstanding; ii) A penalty on each certificate of sale outstanding equal to the adjusted annual rate established by the Franchise Tax Board as provided in Section 19521 of the Revenue and Taxation Code, divided by 12 per month from the date of sale until redemption; iii) An amount for each year of escaped assessment determined as follows: the assessor shall establish the assessment value for the land for each year of the escaped assessment and the collector shall apply the rate fixed in that year to determine the amount of the escaped assessment; iv)The costs incurred in connection with recording the Certificate of Sale and the Certificate of Redemption; v) The costs of publication of notice incurred in connection with the delinquency; and vi) The costs incurred in connection with the preparation for a proposed sale of property, except that a district board

may waive some or all of these costs if it determines that the circumstances support the waiver; and

WHEREAS, Sections 26226 & 26229 provide administration of certificates of redemption and the recording of same with the county recorder and for the collection of the recording fee provided for in Section 27361 of the Government Code, and

WHEREAS, Section 25809 provides that a district may make an additional reasonable charge for processing or reprocessing an invalid check or other instrument used to pay an assessment or service charge owed to the district. The reasonable charge shall be for cost of the processing or reprocessing of the valid check or instrument plus the amount provided by Civil Code 1719. If the charge for processing or reprocessing becomes delinquent, the charge may become a lien against the land on which the assessment was made or to which the service was rendered, as provided in Section 25806, and

WHEREAS, Section 25930 also provides that a reasonable additional charge may be made for processing or reprocessing an invalid check or other invalid instrument as provided in Section 25809 on "any other charge owed the district", and

WHEREAS, Section 25807 provides that if the annual district assessment is payable in two installments the unpaid charges may be added to and become a part of the first installment, and

WHEREAS, Section 25929 provides that the collector shall accept payment of current year assessments even though prior year delinquencies on real property may exist, and

WHEREAS, Section 25950 provides that the Board may pass a resolution providing that thereafter annual assessments shall be payable in two installments, and

WHEREAS, Section 25951 provides that the two installments shall be equal unless the resolution specifies different percentages to be paid in each installment, in which case the installments shall be payable as specified in the resolution, and

WHEREAS, Section 25952 provides that the resolution shall be adopted at or prior to the time of the levy of any annual assessment it is to affect, and

WHEREAS, Section 22282 provides that whenever any charge for any service provided for by this division has been fixed, they may be made payable in advance, and

NOW THEREFORE BE IT RESOLVED: i) that the District desires to institute the permissive charges for services rendered and for inconveniences experienced, ii) that no "certificate of sale" shall be assigned without the prior approval of the Board of Directors, iii) that pursuant to Section 26107 the Board of Directors designates that "notice and delinquent lists" be published in the Manteca Bulletin, a local newspaper of general circulation within the District's boundaries, iv) that this resolution be examined and amended, as necessary, to reflect changes in the law and the desires of the Board of Directors, and v) staff of the District shall do whatever is necessary to assure that the intent of this resolution is

actively pursued.

BE IT FURTHER RESOLVED: i) that the District may, as provided by Section 22282.1, refuse service to any land having outstanding charges for services already rendered and that District shall deny water service to any land having outstanding base charges owed District when such amounts are outstanding in excess of ten (10) working days and shall deny water service to any land having outstanding Volumetric Charges in excess of at least $9 for 90 days; ii) that the District shall, as provided by Section 22256, refuse to furnish water to any land to which it holds title by virtue of a collector's deed under which the right of redemption has not been terminated or to any or all land on which the District has an outstanding unredeemed certificate of sale for the nonpayment of a District assessment or duly authorized charge; and iii) District shall publish notice each year in the local newspaper listed above after the Board has adopted base charges and groundwater recharge fees for the next water year, at least 30 days before the first payment due date.

BE IT FURTHER RESOLVED: the District is authorized by the California Water Code to contract with San Joaquin County for the County to collect the base charges and groundwater recharge fees imposed by the District on its landowners, including past-due charges from previous years. In such event, the payment of such charges to County will be delinquent on the same hour and day that County taxes are delinquent and will be declared tax-defaulted as for County taxes.
For so long as the contract is in effect, the collection of such charges shall be the responsibility of San Joaquin County.

PASSED AND ADOPTED this 9th day of August 2016, by the following roll call vote:

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

Item #6 – Consider Approval of Amendment to Irrigation Service Abandonment Agreement for Agreement No. 460, Dave Hegarty, APN 245-180-23.
Director Kamper excused himself from the room as he felt it a conflict of interest due to the fact that he is a leaseholder of the adjacent land.

Sam Bologna addressed the Board regarding the Amendment to Irrigation Service Abandonment Agreement for Dave Hegarty and stated that Mr. Hegarty was present. Specifics follow:

Upon review of the above referenced matter, staff has determined the following:

- Land was previously signed off by David Hegarty on 1/28/92.
- Owner would like to amend the existing service abandonment agreement so that the property can be eligible to receive District water.
- The existing parcel is currently irrigated with a sprinkler system supplied by an onsite well.

- The owner would like to construct a sprinkler sump system to be integrated into his existing irrigation system. The owner does not intend to flood the parcel however flood water could be made available if the proper pipeline and valve structures were installed.
- The owner does not have immediate access to the District's facilities which are located approximately 625' to the south.
- A connection to the District would require the owner to obtain an easement from an adjacent landowner to install private irrigation facilities to Lateral "Vaa".
- The Water Department approved the permit without any specific comments.
- This property and the adjacent properties are properties that are destined for potential development in the not too distant future.
- The property is located within Division 6.

Specific conditions for approval that staff recommends are outlined as follows:

1. Lateral "Vaa" is the District facility that is closest to the Subject Property. It is only capable of delivering flood water to the Subject Property through the Adjacent Property, however, private improvements including a pipeline and irrigation valves will be required to allow flood irrigation. If Owner desires to receive flood water, and as a condition to receiving water, Owner is responsible for installing all private improvements necessary to deliver flood irrigation to the Subject Property and to obtain any private easements from landowners. Owner is required to obtain a Structure Permit from District before installing any facilities that will connect to District's facilities.

2. Sprinkler water can be made available to irrigate the Subject Property through SSJID Lateral "Vaa" so long as District can regulate water deliveries to its satisfaction. The Owner shall be required to install private facilities necessary to connect to the SSJID facility and construct a private sprinkler sump consistent with District's Standard Plans and Specifications ("District Specifications"). Because Lateral "Vaa" is a dead end line, Owner will be required to spill any excess water on Owner's property. The sprinkler sump will be required to have a spill outlet per District Specifications. Owner shall be required to obtain a Structure Permit from District prior to receiving District water.

   Note: A potential alternative to taking spill water is to investigate the possibility of having a water regulation device installed, such as an automated gate valve and/or a float valve system, at the head of Lateral "Vaa" to accommodate the existing and projected demand for sprinkler deliveries on this dead-end pipe line. This device could be financed in part by all parties on the line that would benefit from the device, similar to the arrangement that was approved previously for Bavaro and Hendley.

3. If connection to the District facility will require water to be transported through neighboring properties, Owner is responsible for obtaining a formal easement agreement, or otherwise possess at all times the right to install and use private facilities across the neighboring properties as necessary to connect the District's irrigation laterals to the Subject Property. The agreement should address terms of maintenance, access, duration, metering, and change of parcel ownership. SSJID will not act as a moderator of this agreement.

4. If the Subject Property is irrigated by flood, water use will be measured based on a time vs. flow calculation as determined by the District. The District shall reserve the right to require flow meter/meters, meeting the District Specifications, to be installed at the Owner's expense to accurately measure the delivered water to each parcel comprising the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter/meters. The Owner will be required to install the meter/meters according to the District's specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter/meters.

5. If the Subject Property is irrigated by sprinkler/micro/drip system, a meter per District Specifications will be required on the pumping system to keep a running total of water delivered. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to the Subject Property based on the proportional percentage of irrigated acreage, until such time as District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described above.

6. Owner is responsible for all costs related to providing service to the Subject Property, including standard water charges and back fees consistent with District policy.

7. Conditions stated above shall be incorporated into the amended agreement.

Mr. Hegarty stated that he has a letter saying the adjacent landowner will cooperate and expects cooperation from all involved.

A motion was made by Director Holbrook and seconded by Director Roos to approve the Amended Service Abandonment Agreement subject to the above stated recommendations and a revision to the standard agreement that further reflects those conditions. Approval shall be subject to the terms and conditions specified in the revised policy entitled "Policy for Rescinding Irrigation Service Abandonment".

By action dated January 13, 2015 which amended the Policy for Rescinding Irrigation Service Abandonment, Owner is not subject to a one year waiting period for the Subject Property to receive District water.

The motion passed 4 to 0 with the following vote:

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

Item #7 – Consider Approval of Amendment to Irrigation Service Abandonment Agreement for Agreement No. 836, Charles Shafter, APN 229-040-04.
Sam Bologna addressed the Board regarding the Amendment to Irrigation Service Abandonment Agreement for Charles Shafter. Specifics follow:

Upon review of the above referenced matter, staff has determined the following:

- Land was previously signed off by Kenneth Ring on 7/30/93.
- Owner would like to amend the existing service abandonment agreement so that the property can be eligible to receive District water.
- The existing parcel is not currently irrigated.
- The owner would like to extend an existing private ditch into his property to gain access to water. Said ditch currently connects to Lateral "Bf" at Arthur Road and ends at the north boarder of the applicant's property.
- The Water Department has stated that they can accommodate service from Lateral "Bf" on a regular 10-day schedule as long as the proposed extended ditch is constructed to distribute 5 cfs to the subject property.
- The owner has identified that he has verbally discussed the situation with his neighbors and he has also provided a sketch of his intentions to gain access to District water.
- The property is located within Division 1.

Specific conditions for approval that staff recommends are outlined as follows:

1. Lateral "Bf" is capable of delivering flood water to the Subject Property through several Adjacent Properties, however, private improvements including extending a dirt ditch will be required to allow flood irrigation. If Owner desires to receive flood water, and as a condition to receiving water, Owner is responsible for installing all private improvements necessary to deliver flood irrigation to the Subject Property. Owner is required to obtain a Structure Permit from District before installing any facilities that will connect to District's facilities.

2. Sprinkler water can be made available to irrigate the Subject Property through SSJID Lateral "Bf" or "Be". The Owner shall be required to install facilities necessary to connect to the SSJID facility and construct a private sprinkler sump consistent with District Standard Plans and Specifications ("District Specifications"). Owner shall be required to obtain a Structure Permit from District prior to receiving District water.

3. If connection to the District facility will require water to be transported through neighboring properties, Owner is responsible for obtaining a formal easement agreement, or otherwise possess at all times the right to install and use private facilities across the neighboring properties as necessary to connect the District's irrigation laterals to the Subject Property. The agreement should address terms of maintenance, access, duration, metering, and change of parcel ownership. SSJID will not act as a moderator of this agreement.

4. Owner agrees to make all modification necessary to enable use of the existing private ditch at his own expense and to allow reasonable access to private property by District

personnel to determine if all conditions specified in the amended service agreement are satisfied.

5. If the Subject Property is irrigated by flood, water use will be measured based on a time vs. flow calculation as determined by the District. The District shall reserve the right to require flow meter/meters, meeting the District Specifications, to be installed at the Owner's expense to accurately measure the delivered water to each parcel comprising the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter/meters. The Owner will be required to install the meter/meters according to the District's specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter/meters.

6. If the Subject Property is irrigated by sprinkler, a meter per District Specifications will be required on the pumping system to keep a running total of water delivered. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to the Subject Property based on the proportional percentage of irrigated acreage, until such time as District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described above.

7. Owner hereby acknowledges responsibility to construct and maintain a permanent berm to protect the existing the home site from flood waters if said home site is subject to flooding from surrounding farmland.

8. Owner is responsible for all costs related to providing service to the Subject Property, including standard water charges and back fees consistent with District policy.

9. Conditions stated above shall be incorporated into the amended agreement.

Bob Holmes said it would be a plus to see them get water.

A motion was made by Director Kuil and seconded by Director Roos to approve the Amended Service Abandonment Agreement subject to the above stated recommendations and a revision to the standard agreement that further reflects those conditions. Approval shall be subject to the terms and conditions specified in the revised policy entitled "Policy for Rescinding Irrigation Service Abandonment".

By action dated January 13, 2015 which amended the Policy for Rescinding Irrigation Service Abandonment, Owner is not subject to a one year waiting period for the Subject Property to receive District water.

The motion passed 4 to 1 with the following vote:

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

Item #8 – Consider Approval of Encroachment Agreement for Driveway Crossing of Lateral "Qg" and Approval of Amendment of Irrigation Service Abandonment Agreement for Agreement No. 1414, Peter Thompson, APN 206-090-29.
Sam Bologna addressed the Board regarding the Encroachment Agreement and Amended Service Abandonment Agreement and stated that Mr. Thompson was present. Specifics follow:

Service amendment request:
Upon review of the above referenced matter, staff has determined the following:

- Land was previously signed off by Alex & Tammy Co on 4/27/04.
- Owner would like to amend the existing service abandonment agreement so that the property can be eligible to receive District water.
- The existing parcel is currently being prepared for a new home site and almond orchard. The owner intends to develop a new well to accommodate a drip system as his primary form of irrigation. He indicated that District flood water would only be used occasionally as a secondary form of irrigation.
- The owner does not intend to connect to the District's facilities for sprinkler water however would prefer not to eliminate it as a possibility.
- Owner does not intend to apply District water to the property for a crop until next irrigation season however he would like to utilize water as soon as possible for dust control while preparing his property for planting and building his home site pad.
- The Water Department approved the application and only noted that the grower needs to stay on a regular 10-day rotation.
- The property is located within Division 3.

Specific conditions for approval that staff recommends are outlined as follows:

1. Lateral "Qg" is capable of delivering flood water to the Subject Property through existing valve structures. If Owner desires to receive flood water, Owner shall be responsible for verifying that the valves are in operable condition and free of leaks. If improvements are necessary, Owner shall be required to obtain a structure permit from the District prior to proceeding with construction or modification.

2. Sprinkler water can be made available to irrigate the Subject Property through SSJID Lateral "Qg" so long as District can regulate water deliveries to its satisfaction. If at some point the Owner desires sprinkler deliveries, Owner shall be required to install private facilities necessary to connect to the SSJID facility and construct a private sprinkler sump consistent with District's Standard Plans and Specifications ("District Specifications"). Because Lateral "Qg" is a dead end line, Owner will be required to spill any excess water on Owner's property. The sprinkler sump will be required to have a

spill outlet per District Specifications. Owner shall be required to obtain a Structure Permit from District prior to receiving District water.

3. If the Subject Property is irrigated by flood, water use will be measured based on a time vs. flow calculation as determined by the District. The District shall reserve the right to require flow meter/meters, meeting the District Specifications, to be installed at the Owner's expense to accurately measure the delivered water to each parcel comprising the Subject Property. The District will notify the Owner when the District requires the Owner to install the meter/meters. The Owner will be required to install the meter/meters according to the District's specifications within the time frame given in the notice, which shall not be less than 30 days. The District may deny water to Owner until the Owner installs the meter/meters.

4. If the Subject Property is irrigated by sprinkler, a meter per District Specifications will be required on the pumping system to keep a running total of water delivered. The total water delivered will be calculated based on before and after meter readings. If multiple parcels are serviced by one meter, the District shall determine the amount of water delivered to the Subject Property based on the proportional percentage of irrigated acreage, until such time as District requires a meter to be installed to measure water deliveries to each separate parcel comprising the Subject Property as described above.

5. Owner hereby acknowledges responsibility to construct and maintain a permanent berm to protect the proposed home site from flood waters if said home site is subject to flooding from surrounding farmland. New home pad shall also be elevated to prevent possibility of flooding.

6. Owner is responsible for all costs related to providing service to the Subject Property, including standard water charges and back fees consistent with District policy.

7. Conditions stated above shall be incorporated into the amended agreement.

Driveway encroachment request:
In addition to the request for a service amendment, the owner has requested to build a driveway across the Lateral "Qg" to for access to a proposed home that will be built on the property. The pipeline has been inspected and a determination was made that the pipeline is shallow and not in good enough condition for a driveway to be installed without replacement. This requirement for pipeline replacement was addressed in a "Deferred Irrigation Pipeline Improvement Agreement" that was recorded in 1994 as condition of a parcel map approval that occurred during that time (see attached agreement). As such, it is recommended that the approval of this encroachment shall be subject to satisfy the terms and conditions of that agreement.

Mr. Thompson addressed the Board and said he would like both issues addressed. He would like approval now because he is in need of water this season, there are currently valves on the pipeline so he is already prepared.

Director Holbrook stated that he would like the reinforced concrete pipe placed first, then the driveway; his concern is protecting the pipeline.

Director Holmes called for two motions, one on the Amendment of Irrigation Service Abandonment Agreement and another on the Encroachment Agreement.

A motion was made by Director Roos and seconded by Director Kuil to approve the Amended Service Abandonment Agreement subject to the above stated recommendations and a revision to the standard agreement that further reflects those conditions. Approval shall be subject to the terms and conditions specified in the revised policy entitled "Policy for Rescinding Irrigation Service Abandonment".

By action dated January 13, 2015 which amended the Policy for Rescinding Irrigation Service Abandonment, Owner is not subject to a one year waiting period for the Subject Property to receive District water.

The motion passed 5 to 0 with the following vote:

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

A motion was made by Director Holbrook and seconded by Director Kuil to approve the Encroachment Agreement with a stipulation that the pipeline be replaced prior to the driveway being poured and that it be in accordance with District requirements.

The motion passed 5 to 0 with the following vote:

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

Item #9 – Discussion Regarding GASB 68 Accounting Standard.
Assistant General Manager Bere Lindley addressed the Board and stated he felt it necessary to discuss the Accounting Standard because it will result in a significant change to the District's Balance Sheet. A $9,322,251 Net Pension Liability will be added to the December 31, 2015 Balance Sheet. This Accounting Standard requires this now be shown on the Balance Sheet. The number is provided to the District by PERS. In determining how much the District should have in retirement savings, Mr. Lindley added to keep in mind this figure is volatile and based on actuarial assumptions, the value of investments is constantly changing.

The Board thanked Bere for an informative discussion.

Item #10 – Consideration of Potential Modifications to Drought Measures and End of Irrigation Season Scheduling.
General Manager Peter Rietkerk provided the Board with a 2016 Water Supply Update and discussed the Water Allocation Augmentation Policy.

In March 2016, South San Joaquin Irrigation District (SSJID) implemented a 40-inch allocation for irrigation customers and a 16-percent reduction in deliveries to the Cities as compared to 2013 water usage. These allocations were based on an awareness of continuing low storage conditions in New Melones Reservoir, and a need to continue to conserve to avoid future water supply impacts to the District due to operational storage constraints in New Melones. Although precipitation this past winter resulted in normal runoff in the Stanislaus River watershed, the effects of drought and increased instream flow requirements in years 2012-2015 have continued to linger as storage has remained below 26-percent for most of the year. This spring, SSJID worked with Reclamation to develop an operations plan and Temporary Urgency Change Petition to preserve storage and set operational expectations on New Melones Reservoir, including an end of September 2016 minimum storage limit of 415,000 acre-feet.

Water use for the 2016 irrigation season has trended lower than expected, and although deliveries in the months of June and July increased over last year, overall SSJID water consumption is trending lower than in 2015. SSJID diverted 124,817 acre-feet of water through June 2016, compared to diversion of 136,370 acre-feet in 2015, and 163,617 acre-feet in 2014. This season's cumulative diversions represent a reduction in diversions of 8.4-percent as compared to 2015 and nearly 23.7-percent as compared to 2014. Through the peak irrigation months, June and July 2016 diversion volumes outpaced diversions in 2015 by nearly 10,400 acre-feet, but the monthly diversion continue to be below average. The combination of above average precipitation which reduced demand this spring, and continued demand reductions due to on-farm conservation measures and conscious irrigation practices have resulted in lower projections for annual diversions in 2016, even with a higher allocation than 2015. Furthermore, expectations are that harvest will begin earlier than usual this year for many crops, due to recent warm weather that has allowed fruit and nut crops to mature quickly. If deliveries for August and September mirrored 2015 deliveries, cumulative diversions would not likely exceed 2015 water volumes.

Based on updated estimates for diversions for the remainder of 2016, SSJID now expects nearly 500,000 acre-feet in storage in New Melones at the end of September 2016, nearly 85,000 acre-feet higher than the originally estimated storage target. As a result, the Districts will clearly meet their goals for operational storage in New Melones, in large part due continued conservation and efficient use of water by growers.

Because updated projections show that overall District consumption will likely fall below the allocation limits again for 2016, the District is in a position to make more water available to growers who may need additional supplies to complete the growing season.

In order to accommodate growers within the District who may need additional supplies, Staff is recommending the following Water Allocation Augmentation Policy for the remainder of the 2016 irrigation season:

Process:

1. Growers that may exhaust the 40-inch allocation year may apply to the District water conservation coordinator to increase their allocation. The District will develop an application to be completed by growers indicating their account number and fields to receive the potential increase in allocation.
2. Upon review and consideration of the application, the General Manager will be authorized to approve the application and additional allocation increase.

It would be administratively simpler to eliminate the 40-inch limit altogether. But, keeping the limit, and supplementing it with the Water Allocation Augmentation Policy, helps to maintain drought awareness and vigilance over efficient irrigation practices. It also shows respect for the measures many irrigators have taken, at considerable cost in some cases, to stay within the limits imposed by the District.

In addition to the Water Allocation Augmentation Policy, the Staff is recommending that water supply reductions for the South County Water Supply Project participants, including the Cities of Tracy, Lathrop, and Manteca be lifted at this time. In order to provide the same treatment as the irrigators, the effect of lifting the constraint on the Cities is not to be retroactive. The amount of water available to the Cities will again be reviewed and considered with water supply conditions leading up to the 2017 irrigation season.

Director Roos asked about possibly transferring extra water to those areas in need. Mr. Rietkerk addressed the Department of Water Resource and Bureau issues involved with that.

Director Kamper felt the biggest advantage definitely goes to the cities.

Mr. Rietkerk stated the advantage is that the District is showing beneficial use for its extra water, the disadvantage may come next year if we continue to have these same drought conditions. He also noted that Tier 2 rates would apply to all water used exceeding 48 inches.

This option would be available to growers immediately. Operations/Water Supervisor Joey Catanzarite stated that he would have the Division Managers communicate with the growers in regards to this available increase.

A motion was made by Director Roos and seconded by Director Holbrook to go with staff recommendation and approve the Water Augmentation Policy authorizing the General Manager to approve allocation increases for grower applicants and to lift water supply reductions to SCWSP participant cities until consideration of hydrology and available water supplies in 2017.

The motion passed 5 to 0 with the following vote:

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

Director Roos left the meeting at 11:00am.

Item #11 – Update on Sustainable Groundwater Management Act and Local Groundwater Sustainability Agency Formation.

Valerie Kincaid, Attorney at Law, addressed the Board to give an update on the Sustainable Groundwater Management Act and the District's Local Groundwater Sustainability Agency Formation efforts. She stated that by June, 2017 all local agencies within the basin need to form or be a part of a Groundwater Sustainability Agency (GSA). The Sustainability Groundwater Management Act (SGMA) says any agency can elect to be a GSA but it does not allow agencies to elect over each other, a type of overlapping election. The three cities in the District can elect to be their own GSA or become a part of the District's GSA. SSJID has elected to be its own GSA and include the cities as part of its GSA. The County has elected over the District's election; the County election basically stopped everyone until such time that the District and cities reach an agreement to form a single GSA governed by the District. The County would prefer one GSA and one plan for the basin and will most likely withdraw once they are satisfied with the District and the cities reaching an agreement for a single GSA. There are two options when it comes the Groundwater Sustainability Plans; 1) all GSAs within the basin can come together to prepare one basin-wide plan or 2) all GSAs within the basin can have their own plans requiring a coordination agreement amongst themselves. Coordination is needed whether one plan is developed or several separate plans are developed, and each GSA will still be responsible for carrying out the duties within their area. The best scenario is to come together, agree to get along and then develop a Plan to come into sustainability. If the District isn't comfortable with the terms, it can break off on its own and prepare its own Plan, Mr. Rietkerk feels this gives the District additional negotiation value also. The best situation will result in no huge changes to the Districts' daily practices and operations.

Mr. Emrick is concerned, he feels that in his experience with the County, they don't feel this Districts' area is special; hoping this doesn't affect GSA election. Director Holmes noted that the District contributes County-wide with recharge, providing drinking water to the cities, we have a great argument against surface water issues, among other things. Director Holmes feels it's important enough to stay involved hoping for a positive outcome, he feels we will have a good outcome with coordination. Mr. Rietkerk stated that coordination is the lesser of two evils, this allows for local control and coordinated outcomes rather than State level involvement.

Director Kamper left the meeting at 11:45am.

Several local issues have surfaced. SSJID's GSA includes the cities, some are concerned they are giving their land-use authority away and will be considered secondary. The cities would prefer a four member GSA giving them a seat at the table, more representation. Ms. Kincaid stated that SSJID if funding and voting were to follow some justification based on magnitude of land, groundwater use, and groundwater recharge statistics between potential GSA entities, SSJID is naturally positioned to out-vote other city members regardless of the GSA structure; however, the cities would like to have a more equivalent representation.

Director Kuil felt they needed to talk with the City Council members to educate them on the situation and process.

Ms. Kincaid said we have three options when approaching the cities; 1) keep current election in place and continue with the plan, 2) withdraw and re-elect carving the cities out of the GSA or 3) withdraw and re-elect with a 4-member GSA.

Mr. Emrick stated that the cities are simply interested in controlling within their city limits, our interest is rural. Director Holbrook felt the cities were taking water they don't have; the District is allowing them to buy drinking water and take advantage of the District's recharge efforts. Director Holmes stated that it would be smart and politically wise to come together and re-apply as a 4-member GSA.

Ms. Kincaid reviewed the next steps; 1) get elected officials to talk, 2) decide which structure would work with a 4-member GSA. Ms. Kincaid stated that we need to realize the cities think we're overpowering instead of being helpful, which is truly the Districts intent. Mr. Rietkerk noted that we all have the same goals, it would be better to continue to negotiate with the cities and explain, help them understand, the benefits the District wishes to provide. Ms. Kincaid also recommended working together to get to the point where we can 1) agree to come together to form a 4-member GSA, 2) agree to a Memorandum of Understanding or 3) withdraw all-together. Mr. Bologna agreed that we can do more collectively. Director Holmes and Director Holbrook would like us to continue to be pro-active, take the high-road and cooperate. Mrs. Vallow also suggested getting the public involved if necessary.

Ms. Kincaid concluded stating that the GBA has established an unofficial deadline of September 30, 2016 to make a decision on GSA formation. In the near-future she will be meeting with staff and possibly setting up an ad-hoc committee to continue moving our efforts forward.

Item #13 – Communications

Director Holbrook attended the Hydrovision Conference from July 26 to July 29 in Minneapolis, Minnesota. He said it was an excellent conference and would recommend it to anyone who can attend. He noted several stand-out points from the sessions; many near miss incidents never get reported, this is of value to avoid future incidents, lock-out procedures should be in print for all personnel, the importance of policies and procedures, pump storage, and cyber security along with the importance of updating systems every 10 years. He stayed at the Donnell's house recently, he was surprised at how many people walk to the reservoir that way between 10pm and 4am without flashlights.

Director Kuil questioned the status of the Pressurized Plan Study. Mr. Rietkerk noted that we are currently evaluating the plan internally and need to address comments with consultants. He stated that there was not one clear, easy recommendation in the report and that financial feasibility will be the toughest hurdle overcome.

Director Holmes reminded all of the Tri-Dam Meeting at SSJID on Thursday, August 18. He attended the Meet the President ACWA event on Thursday, July 28, it wasn't very well attended but was a good meeting. He reported that unless plans change, he will be gone Tuesday, August 23.

Water Treatment Plant Manager Ed Erisman reported the following:

- Problems with variable frequency drives and microwave communications at Tracy Booster station may be related and caused by power spikes. We have contacted PG&E to let them know of our problems but they so far deny any issues at that site. We will be looking into getting a voltage recorder for that site. The problem may be getting one sensitive enough to registrar the small spikes that are sometimes only microseconds in duration. Michael is purchasing a surge protector for the microwave system that should prevent future communication losses. The surge protector might also record some of the power irregularities but only the big ones.

- While troubleshooting the problems at the Tracy Booster we discovered that our variable frequency drives which are made by Robicon are now obsolete. Robicon has been purchased by Siemens and the entire Robicon line of VFDs has been discontinued. Any repair parts will soon be hard to find. We are purchasing some spare IGBT's and gate driver cards now and hope to extend the life of these drives as long as we can but right now we have one drive that is out of service and one that is questionable. We will be putting together a plan to replace these drives in the future.

- We have an operator leaving SSJID to take a position with Santa Clara Water. Once again we have been well served by our Operator In Training (OIT) position. Zach Hoesch has been with the District for roughly one and a half years as an OIT. In that time he has achieved a Grade III Treatment Operator certification and a Grade IV Distribution Operator certification. He has also already passed our internal certification test in order to be considered qualified to stand a shift as an operator. Since he has worked so hard and is already qualified he will fill the vacant position. We have already started the process of filling the now vacant OIT position. We hope to get another experienced and qualified candidate as motivated as Zach.

Assistant General Manager Bere Lindley reported that the District received a check for $4,875,000 from Department of Water Resources for the water transfer.

General Manager Peter Rietkerk provided the Board with a written Managers Report, no verbal report was given.

Director Holmes suggested they move to Closed Session at this time.

Item #14 – Closed Session

It was announced that Items a – g would be discussed in closed session:

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 – Existing Litigation
Paragraph (1) of subdivision (d) of
Government Code Section 54956.9
- 2 cases

Pacific Gas and Electric Company v. San Joaquin LAFCo
San Joaquin County Superior Court
Case No. 39-2015-00321743 – CU-JR-STK

SSJID v. Pacific Gas and Electric Company, a California Corp., et al. Filed July 7, 2016
Case No. STK-CV-UED-2016-0006638

c. Conference with real property negotiator
California Government Code Section 54656.8
Property: Water
Negotiating Parties: SSJID, Stockton East Water District
District Negotiator: General Manager
Terms: Price and terms of payment of sale

d. Conference with Labor Negotiator
California Government Code Section 54957.6
Agency Negotiator: General Manager
Employee Organizations: IBEW's 1245

e. Public Employment Performance Evaluation
Government code Section 54957
Title: General Counsel

f. Threat to Public Facilities
Government Code Section 54957(a)
Consultation with: Mason Security Services, Inc., District Counsel

g. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9
- 1 case

Upon returning from closed session, General Counsel Steve Emrick announced that no reportable action was taken in Closed Session.

Director Kuil left the meeting at 1:15pm.

Item #12 – Consider Compensation Adjustment for General Counsel After Closed Session.

The Board members had previously stated their intention to make any compensation adjustment effective with the employee's July 1 anniversary date, as the Board has done in times past. This item will be moved to the next Board Meeting of Tuesday, August 23.

Item #15 - Adjournment

Director Holmes adjourned the meeting due to lack of quorum.

ATTEST: _____
Julie Vrieling