

**MINUTES FOR THE AUGUST 22, 2023  
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

The Board of Directors of the South San Joaquin Irrigation District (SSJID) met in person in regular session in the District Boardroom at 9:00 a.m., with public access provided via the online Zoom meeting platform. President Weststeyn called the meeting to order. Director Holbrook led the flag salute. Upon roll call the following members were noted present:

DIRECTORS:           HOLBROOK KAMPER SPYKSMA WESTSTEYN  
ABSENT:               ROOS

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 \$1,577,823.77; Accounts Payable Wires in the amount of \$677,906.54; and Payroll dated August 4, 2023 in the amount of \$2,972.70, August 4, 2023 in the amount of \$9,899.63, August 8, 2023 in the amount of \$306,928.92, August 11, 2023 in the amount of \$202.21, and August 11, 2023 in the amount of \$85.28.
- B. Approval of the Regular Board Meeting Minutes of August 8, 2023
- C. Approval of the Notice of Completion for Centerpoint Intermodal Project
- D. Acceptance of Grant Deed and Grant of Easement for SSJID Water Tank Site, 850 Golden Valley Parkway, Lathrop

Director Holbrook referenced the O'Dell Engineering plat maps included as document attachments in the Item D staff reports, and commented that the descriptions provided in the line tables were insufficient and lacked identifying information. Mr. Forrest Killingsworth, SSJID Engineering Department Manager, responded that plat map preparation is the sole preference of the surveyor and that the line tables reference specific conditions. Mr. Killingsworth offered to continue discussion offline with Director Holbrook.

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

The motion passed 4 to 0 by the following vote:

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

**COMMUNICATIONS**

**Item #1 – Directors’ Reports**

Director Kamper stated that there were no updates to report.

Director Spyksma stated that there were no updates to report.

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Director Holbrook stated that there were no updates to report.

President Weststeyn reported that he attended the Public Relations Committee meeting on August 9, along with Director Holbrook.

President Weststeyn stated that harvest season had started and cautioned all to be aware and courteous of the agricultural equipment on the roadways.

**Item #2 – Various Reports**

Director Holbrook addressed Mr. Brandon Nakagawa, SSJID Water Resources Coordinator, and asked him to elaborate on the Water Resources Manager's Report, dated August 22, 2023, page 1, last paragraph regarding the Eastern San Joaquin Groundwater Authority (ESJGWA) Steering Committee meeting on August 23, to discuss a draft response to the San Joaquin County (SJC) Civil Grand Jury Report (Report) entitled, "The Eastern San Joaquin Groundwater Authority: a Rubik's Cube of Water Management Case #0622."

Mr. Nakagawa stated that the ESJGWA became subject to the Grand Jury Report, dated June 9, 2023, citing insufficiencies including inadequate public engagement, lack of transparency and administrative issues. He added that the Report was impressive, factual, and noted the ESJGWA's success in the development and current implementation of the Groundwater Sustainability Plan (GSP). The Grand Jury listed numerous recommendations to correct the deficiencies including revisions to the ESJGWA website, develop a communications and outreach plan, additional staffing, etc. An ESJGWA response to the Grand Jury Report must be submitted in September 2023, within ninety (90) days receipt of the document.

Mr. Peter Rietkerk, SSJID General Manager, addressed Mr. Nakagawa and asked him to elaborate on the current status of the ESJGWA leadership. Mr. Nakagawa noted the recent announcement that Mr. Matt Zidar, SJC Water Resources Manager, is retiring effective August 28. He conveyed the concerns of the Groundwater Sustainability Agencies (GSAs) regarding the outgoing leadership and upcoming ESJGWA deadlines to update the GSP by June 2025, address the California Department of Water Resources' (DWR) comments on the GSP, and respond to the Grand Jury Report by September 2023. Mr. Nakagawa has offered his interim leadership and assistance to ensure that all commitments are fulfilled to keep the ESJGWA in compliance with its responsibilities.

Board discussion included the timely process for SJC to recruit a replacement Water Resources Coordinator; the required consensus of all GSAs for Mr. Nakagawa's interim assistance; and the benefits of outside independent leadership versus SJC leadership of the ESJGWA.

Ms. Mia Brown, SSJID General Counsel, announced that the SJC Sheriff's Department is currently providing "No Trespassing" signs, at no cost, to residents of San Joaquin County. She has ordered thirty (30) signs for the District to post throughout SSJID's service areas. Those interested in obtaining signs were instructed to contact Ms. Brown for the Sheriff's program phone number.

Director Spysma addressed Mr. Bill Schwandt, SSJID Electric Utility Manager, regarding the Electric Utility Manager's Report, dated August 22, 2023, and inquired if there were any items that he would like to address. Mr. Schwandt provided detailed explanations of Item #1 – Western Area Power Administration (WAPA) Update: SSJID's Integrated Resource Plan (IRP) and summarized that the target implementation date for the SSJID Retail Electric Utility is October 3, 2027; and the American Public Power Association (APPA) Magazine article titled, "Preserving Local Accountability and Ownership" regarding protective factors from a buyout of a public power utility.

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Director Holbrook addressed Ms. Sonya Williams, SSJID Finance and Administration Manager, and inquired on SSJID's protective measures for spam emails. Ms. Williams deferred to Mr. Michael O'Leary, SSJID IT Systems Administrator, who responded that the District's current email quarantine filter is set to high but some junk email still passes through. He added that once the District changes to the .gov domain, the heightened security will alleviate a lot of the spam issue. Mr. O'Leary stated that the District's request to Verisign, Inc., dated August 8, for the domain name ssjid.gov is still pending approval, with a standard response time of twenty (20) days.

Director Spyksma referenced the Water Treatment Plant (WTP) Manager's Report, dated August 22, 2023, Solar Updates Section, Item #3 regarding the Pacific Gas & Electric (PG&E) payments to the District for damages caused by PG&E's blown current transformers on the Robert O. Schulz Solar Farm connection, and commended staff on obtaining reimbursement from the public utility. Mr. Rietkerk acknowledged Mr. Justin Ashworth, WTP Operations Supervisor, for his diligence and perseverance to get PG&E's approval to pay \$36,667.20 for repairs, and \$90,992.34 for lost power generation.

Director Spyksma referenced the Irrigation Operations Manager's Report, dated August 22, 2023, and inquired when the Frankenheimer Power Plant will be back online. Mr. Killingsworth responded that Turlock Irrigation District crews are currently preparing the power house and that Frankenheimer will be online and operational on August 23.

Mr. Rietkerk distributed to the Board, for viewing, a card received from Ms. Jennifer Giddens, WTP Administrative Assistant, expressing thanks to the District for the support given during the recent passing of her mother.

Mr. Rietkerk announced the East Bay Municipal Utilities District (EBMUD) 28<sup>th</sup> Annual Pardee BBQ, on Friday, October 6. Those interested in attending should notify Ms. Danielle Barney, SSJID Executive Assistant/Clerk of the Board, so she can RSVP to EBMUD. Mr. Rietkerk added that he would not be able to attend due to a prior commitment.

Mr. Rietkerk noted recent communication received from Ms. Jeanne Zolezzi regarding the long-term water transfer agreement between SSJID, Oakdale Irrigation District (OID), and the Chicken Ranch Rancheria of Me-Wuk Indians of California (Chicken Ranch). Due to other ongoing matters, including current construction in Jamestown, the Chicken Ranch states they are unable to complete the required California Environmental Quality Act (CEQA) documents in a timely manner, as per the agreement, and have asked for a deadline extension. Mr. Rietkerk stated he will discuss further in Closed Session.

**ACTION CALENDAR**

**Item #3 – Presentation of Audit of the 2022 Annual Financial Report**

Ms. Williams addressed the Board regarding approval of the 2022 Annual Financial Report and provided a brief overview of the Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Notes to the Financial Statements. She introduced Ms. Ashley Green, Partner at Brown Armstrong CPAs.

Ms. Green addressed the Board and gave a PowerPoint presentation of the audit report for the December 31, 2022 year-end financial statements and provided detailed explanations of the scope of services recap; results of the audit; financial statement review process; and the draft management letter regarding internal controls, compliance, the District's response to findings, and purpose of the report. She noted new Governmental Accounting Standards Board (GASB) accounting standards adopted, and misstatements and corrections made

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to the Pension Calculation Adjustment.

The Board inquired about the average timeline to complete the annual audit to which Ms. Williams responded that the month of June would be optimal to finalize the annual audit. She stated that finalizing the audit is always contingent on Tri-Dam Project's year end closing, and that recent staffing adjustments caused delays in the 2022 audit. Ms. Williams added that the understaffing issues have been resolved with recent hires in the Finance Department.

Additional Board discussion included the District's standard procedure to request proposals for auditing services every couple years. Ms. Green responded that should the District contract with Brown Armstrong for additional years, the SSJID account would be assigned to a new accountant per the firm's six (6) year maximum allowed service limit.

**MOTION:** A motion was made by Director Holbrook and seconded by Director Spyksma to approve the 2022 Annual Financial Report and associated auditor's reports.

The motion passed 4 to 0 by the following vote:

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

**Item #4 – Consider Approval of Contract Renewal with Shaw Yoder Antwih Schmelzer and Lange for Legislative Lobbying Services**

Ms. Katie Patterson, SSJID Public and Government Relations Manager, addressed the Board regarding a one (1) year contract extension with Shaw Yoder Antwih Schmelzer and Lange (SYASL) for state legislative monitoring and advocacy. She provided background of the original two (2) year Consulting Services Agreement for State Legislative Advocacy, dated October 26, 2020, and the subsequent Board approved agreement option for an additional three (3) successive years by annual approval of a one (1) year extension. Ms. Patterson stated that Board approval would constitute the second 1-year extension beginning October 1, 2023 through September 30, 2024, with no changes to the existing agreement.

SYASL services to SSJID have included monitoring legislation and providing education to legislative representatives regarding the District's priorities including water/irrigation services and retail electric issues, and providing monthly legislative and bill reports tracking issues in the Capitol and bills of interest. Ms. Patterson noted that she will seek the Board's opinion, on any suggested revisions to SYASL's scope of legislative services, at one of the October board meetings.

Staff recommended Board approval of a 1-year extension to the services agreement with SYASL for legislative lobbying services.

Board discussion included the end of the contract in 2025 and the Request for Proposal (RFP) process, and SYASL's high-level lobbying efforts in the past year.

**MOTION:** A motion was made by Director Spyksma and seconded by Director Kamper to approve a 1-year extension to the Services Agreement for State Legislative Advocacy with Shaw Yoder Antwih Schmelzer and Lange for state legislative monitoring and advocacy.

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The motion passed 4 to 0 by the following vote:

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

**Item #5 – Quarterly Presentation of Financial Statement through June 2023**

Ms. Williams addressed the Board and gave a quarterly oral presentation of the Financial Statements through June 30, 2023. She provided detailed explanations of assets; liabilities; revenues, expenses and changes in net position; non-operating revenues; Tri-Dam revenue; irrigation revenues and expenses; cash flows; and reserve allocations and balances. Ms. Williams noted a correction to Page 15, Cash and Investments, Custodial Statement that should have headings labeled Cambridge, and not Cantella, as the two companies had merged.

The Board requested clarification on Page 13, Changes to Cash and Investments, (Gains) Losses on property and equipment in the amount of -\$120,861.00. Ms. Williams responded that this could occur in the event of sale or loss, and that she will research and provide the Board with confirmation.

Additional discussion included the potential benefits for the District to participate in the Association of California Water Agencies (ACWA)/Joint Powers Insurance Authority (JPIA) California Water Insurance Fund. Ms. Williams responded that she is coordinating with Mr. Keven Martin, Financial Advisor at Cambridge, to arrange a Board presentation regarding the District’s current and future investments.

**Item #6 – Quarterly Presentation of Investment Report for June 2023**

Ms. Williams addressed the Board and gave a quarterly oral presentation of the Investment Report for June 2023. She provided detailed explanations of the components of cash and investments; amounts invested by yield to maturity; investment holdings; treasury yield curve; investment activity; investment redemptions by year and month of maturity; and rates of inflation.

The Board requested clarification on investments made with 2025 maturity dates and low yields , to which Ms. Williams responded that she had inquired about those specific investments to Mr. Martin who could not provide a definitive answer. She will follow up with Mr. Martin to re-examine the probable methodology behind the investments. Further discussion gave consideration to the fact that investments might have been staggered contingent upon necessary funding for District projects, and that a majority of the investment funds were committed in November/December 2020 during the Covid pandemic.

*It was announced that all remaining items on the Closed Session agenda would be discussed. The Board took a brief recess at 10:20 a.m. and convened to Closed Session at 10:30 a.m.*

**Item #7 – CLOSED SESSION**

**RETURN TO OPEN SESSION**

*The Board returned to Open Session at 12:49 p.m.*

**Item #8 – ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

Disclosure of reportable actions taken in Closed Session, pursuant to Government Code Section 54957.1:

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There were no reportable actions taken in Closed Session.

**Item #9 – ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 12:50 p.m.

**ATTEST:**

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Danielle Barney, Clerk of the Board