

**MINUTES FOR THE JULY 23, 2024
REGULAR MEETING OF THE SSJID BOARD OF DIRECTORS**

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

DIRECTORS: HOLBROOK KAMPER ROOS SPYKSMA WESTSTEYN
ABSENT: NONE

Also present were General Manager Peter 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 \$192,969.04; Accounts Payable Wires in the amount of \$961,504.17; and Payroll dated July 12, 2024 in the amount of \$310,137.78.
- B. Approval of the Regular Board Meeting Minutes of July 9, 2024
- C. Approval of Consent to SSJID’s Entry of Property to Read and to Maintain Flow Meter, APN 245-100-01

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

The motion passed 5 to 0 by the following vote:

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

COMMUNICATIONS

Item #2 – Various Reports

The Managers’ Reports were provided in electronic form to the Board on July 19, 2024.

Director Holbrook addressed Mr. Peter Rietkerk, SSJID General Manager, referenced the General Manager’s Report for July 23, 2024, Tri-Dam Operations Daily Report, Section Generation, and inquired about the methodology used to calculate kilowatt monthly totals. Mr. Rietkerk replied that he would confer with Tri-Dam General Manager Summer Nicotero, and provide the Board with an update at a future meeting.

Mr. Rietkerk reported that the District is considering hiring temporary employees for the 2024-2025 winter construction and maintenance season to accelerate construction, and assure achievement of projects and production targets. The individuals would be hired as temporary District employees, as opposed to contract employees, from October 2024 through March 2025. Based on current projections, the cost for the temporary employees will fall within the 2024 budget and not require a budget amendment at this time.

Director Holbrook addressed Mr. Bill Schwandt, SSJID Electric Utility Manager, and requested an update on

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the Robert O. Schulz Solar Farm (Solar Farm) Repowering Project. Mr. Schwandt provided brief summaries of the completed PV2 Project, which has increased both power output and energy output by 135-percent (135%) for a total annual savings of \$262,000.00; the PV1 Pilot Project which is currently underway and will replace six (6) rows of solar modules, install 3-60 kW inverters and wiring, and save approximately \$45,000.00 in energy costs by the end of 2024; and the Winter 2024-2025 PV1 Repowering Project which should increase both power and energy output by 54-percent (54%) for a total annual savings of \$300,000.00.

Director Spyksma thanked Mr. Schwandt for his hard work and subsequent savings for the District, and commended him for his due diligence and a job well done. Mr. Schwandt responded that the job and results are a “team effort” which include Mr. Rietkerk, SSJID Telemetry Systems Supervisor Lance Martin, and independent electrical consultant Mel Bradley.

Director Spyksma addressed Mr. Rietkerk, referenced the Nick C. DeGroot Water Treatment Plant (WTP) Manager’s Report for July 23, 2024, Section Solar Farm Updates, Item #3, regarding work that was bypassed on a microcrystalline arrays tracking system and subsequent damage that occurred to the brass drive nut and shaft. He recommended the implementation of a checklist and/or log for all maintenance and repairs to ensure that all steps and procedures are performed. Mr. Rietkerk responded that he would discuss the topic with WTP Manager Ed Erisman.

Mr. Rietkerk reported on a recent Pacific Gas & Electric (PG&E) announcement, received July 19, regarding a possible Public Safety Power Shutoff (PSPS) event during the weekend of July 20-21. Management and Irrigation Operations teams, Division Managers, and Control Room Operators were immediately briefed, generators were deployed to the Control Room to power the Main Distribution Canal (MDC) drops as necessary, and additional staff were placed on standby. In addition, WTP staff were informed and reached out to SSJID’s customer cities regarding the possible outage and impacts. Though the PSPS did not occur, the incident did serve as a useful training opportunity for this type of emergency situation. Mr. Rietkerk commended the SSJID Team for their swift actions and willingness to step up, if needed. Board discussion included the District’s fiscal impact of a PSPS event and/or non-event.

Item #1 – Directors’ Reports

Director Roos reported that he participated in the annual Jim Brown Memorial “Swing for Youth” Golf Tournament on July 19, at the Manteca Golf Course. SSJID’s sponsored foursome of the event also included SSJID Interim Irrigation Services Supervisor Sean Jefferson, SSJID GIS/Engineering Technician Anthony Podesto, and Marshall Swift from MCR Engineering. It was a fun time for all who attended.

Director Kamper reported that he attended the annual Ripon Chamber of Commerce Installation & Awards Dinner on July 17. He commented on the good event and fellowship.

Director Kamper noted several conversations he has had with constituents regarding WTP operations and services. He suggested that it would be beneficial to have a Director attend the quarterly WTP Operations Committee meetings to keep current on the District supplying water to the cities of Manteca, Escalon and Tracy.

Director Spyksma reported that he attended a San Joaquin Tributaries Authority (SJTA) Special Commission meeting on July 11. The meeting topic was the recruitment of an Executive Director for the SJTA, and included discussion to hire the individual as an SJTA employee, or as a contracted consultant.

Director Holbrook expressed his appreciation for the monthly Manager’s Reports of departmental updates to the Board. He noted the informative updates received from the Irrigation Operations, Engineering, and Finance managers.

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President Weststeyn thanked the irrigation crews for their consistent delivery of water during the extreme hot weather conditions.

ACTION CALENDAR

Item #3 – Presentation of Audit of the 2023 Annual Financial Report

Ms. Sonya Williams, SSJID Finance and Administration Manager, addressed the Board regarding approval of the 2023 Annual Financial Report (AFR), and introduced Josh Giosa, CPA, at Price Paige & Company (PP&C).

Mr. Giosa addressed the Board, thanked them for the opportunity to work with the District, and commended Ms. Williams and the Finance Department for their hospitality, cooperation, and willingness to assist. He gave a PowerPoint presentation of the audit report for the December 31, 2023, year-end financial statements and provided detailed explanations of PPC’s history, management team, and experience; the audit process; the audit areas of emphasis; the auditor’s reports; key financial statement items; and required communications. Mr. Giosa noted material weaknesses identified within internal control regarding capital assets, pension calculation, and revenue recognition but added that these issues were all related to decisions/actions from prior years which had carried forward.

The Board referenced the AFR, page 20, and inquired why the labor expense had more than doubled from 2022 to 2023, to which Ms. Williams responded that the labor expense total also included pension payments for SSJID retirees. Mr. Giosa noted the Governmental Accounting Standards Board (GASB) accounting standards, and the misstatements and corrections made to the Pension Calculation Adjustment. Ms. Williams added that, moving forward, Auditor recommendations will be put in place for a simplified and more accurate calculation of the Pension Calculation Adjustment.

Board discussion included the observation that Tri-Dam revenue coincides with the previous water year, and inquiry into the value of the error to the Pension Liability Adjustment. SSJID Assistant Finance and Administration Manager Sarah Bloom responded that the District’s pension related deferred inflows of resources were understated by \$1,439,000.00 and pension related deferred outflows of resources were understated by \$2,017,000.00, resulting in a net overstatement of pension expense of \$578,000.00.

MOTION: A motion was made by Director Holbrook and seconded by Director Kamper to accept the audit of the SSJID 2023 Annual Financial Report.

The motion passed 5 to 0 by the following vote:

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

Item #4 – Consider Approval of the SSJID 2024 Mid-Year Budget Amendment

Ms. Bloom addressed the Board regarding the 2024 adopted budget and stated that the budget amendment occurs annually at mid-year, to re-evaluate estimated expenses for the upcoming winter construction season. Board approval of the budget amendment grants staff permission to carry out the general plan of action and associated expenses included in the budget.

Ms. Bloom provided detailed explanations of the budget amendments to capital expenditures including new

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projects at an increase of \$845,410.00; revised projects at an increase of \$619,071.00; and canceled or postponed projects at a decrease of \$567,700.00, for a total increase in capital expenditures of \$896,781.00. She noted that some projects were removed from the Proposed Amendment of the 2024 Capital Budget spreadsheet (Attachment A) after the distribution of the board agenda packet, and handed out a revised Attachment A containing the current list of projects and budget amounts, though the requested budget amendment increase remained the same at \$896,781.00. The new projects added to capital expenditures include the MDC Drop 7 Spill Gate Replacement; Sexton Road Bridge at MDC Shotcrete Liner; Lateral W190dd3dd to We Connection; and purchases of a Blastcrete RMX5000, and a JCB Teleskid.

Board discussion included the necessity for the new equipment purchases; riprap versus shotcrete lining for the Sexton Bridge Project; and the law surrounding San Joaquin County’s (SJC) first-in-time status and their roll in serving as the lead agency on the Sexton Road Bridge Replacement Project.

MOTION: A motion was made by Director Holbrook and seconded by Director Kamper to approve the SSJID 2024 mid-year budget amendment.

The motion passed 5 to 0 by the following vote:

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

Item #5 – Quarterly Presentation of Financial Statements through June 2024

Ms. Williams addressed the Board and gave an oral presentation of the quarterly Financial Statements through June 30, 2024. She provided detailed explanations of the balance sheets; unrestricted net positions; total assets; liabilities; revenues, expenses and changes in net position; non-operating revenues; irrigation revenues and expenses; cash flows; reserve allocations and balances; actual versus year-to-date budget comparisons; and breakdown of cash investments by category.

Board discussion included concern of potential decreases in Tri-Dam revenue affecting accurate calculations of projected District revenue, and additional sources of income to which Ms. Williams responded that staff is currently writing a Request for Proposal (RFP) for the selection of a consulting firm to develop a Financing Plan, in which the fluctuating Tri-Dam revenues will be addressed. The Board inquired about page 11, “Changes to Cash and Investments,” line item(s) titled “Non-concurrent portion...” to which Ms. Williams responded that the new line items are a requirement by the Auditor to identify both current and long-term liabilities for the purchases of filters used at the WTP.

Item #6 – Quarterly Presentation of Investment Report for June 2024

Ms. Williams addressed the Board and gave an oral presentation of the quarterly Investment Report through June 2024. She provided detailed explanations of the components of cash and investments, interest income year-to-date and monthly, amounts invested by yield to maturity, investment holdings, treasury yield curve, investment activity, maturities schedule, employment rates, and rates of inflation.

Board discussion included the high bank fees, and the RFP process the District would go through in the event it wished to change financial institutions. The Board inquired about page 17, “Investment Maturity Schedule” at June 30, 2024, line item 2038 Total = \$500,000.00. Ms. Williams responded that when the spreadsheet was converted to a PDF, formatting was changed and inadvertently displayed the incorrect maturity date, which will

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be corrected.

Item #7 – Consider Approval of Purchase for Blastcrete RMX5000 Concrete Pump for Pipelining Operations

Ms. James Ferguson, SSJID Shop Department Supervisor, addressed the Board regarding approval to purchase a Blastcrete RMX5000 concrete pump for pipelining operations. He provided history of the District’s current Blastcrete RMX5000 concrete pump, which was purchased in 2021 but requires a considerable amount of maintenance due to its heavy use and high operating pressures to the unit.

Mr. Ferguson stated that the pipelining initiative and operation constitutes the majority of the District’s capital improvement projects slated in the District’s 30-year Water Master Plan (WMP). The WMP figures 20,830 lineal feet of cast-in-place pipe will be rehabilitated with pipelining each year (118 miles in 30 years). A second concrete pump will ensure the operation does not get delayed during construction season (typically mid-October through mid-March annually).

Staff researched the most suitable pump manufacturers for the specialized pump and were recommended the Putzmeister and Blastcrete brands. Mr. Ferguson detailed each manufacturer’s pump features and costs, adding that the Putzmeister quote did not include modifications, whereas modifications were included in the Blastcrete quote. He noted that modifications were made in-house to the District’s current pump but the new pump will be built with requested modifications.

Staff recommended Board approval to purchase the Blastcrete RMX5000 Concrete Pump for pipelining operations for \$125,642.00 (tax and shipping included). The 2024 Mid-Year Budget Update includes \$125,642.00 for the purchase of the concrete pump.

MOTION: A motion was made by Director Roos and seconded by Director Holbrook to approve the purchase of the Blastcrete RMX5000 Concrete Pump for pipelining operations for \$125,642.00 (tax and shipping included).

The motion passed 5 to 0 by the following vote:

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

Item #8 – Consider Approval of Purchase for JCB Teleskid for Pipelining Operations

Mr. Ferguson addressed the Board regarding approval to purchase a Total JCB (JCB) Teleskid for pipelining operations. He reiterated the importance of the pipelining initiative and operation in the District’s 30-year WMP.

Mr. Ferguson explained that in the 2023/2024 maintenance season, the District rented two (2) pieces of equipment to support the pipelining operation, namely a telehandler and a skid steer, at a combined cost of \$33,847.00. He further explained that the requested JCB Teleskid is a hybrid of a skid steer and telehandler and is ideal for the material handling and backfill operations for pipelining. Mr. Ferguson detailed how the teleskid would be utilized, the equipment features, and capabilities.

Staff obtained a quote from JCB for \$106,511.00, plus pallet fork frame for \$1,450.00, plus tax at \$8,367.00 for a total amount of \$116,328.00. It was noted that JCB is the only local manufacturer that makes the requested

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teleskid model.

Staff recommended Board approval to purchase the JCB Teleskid for pipelining operations for a total amount of \$116,328.00. The 2024 Mid-Year Budget Update includes \$116,328.00 for the purchase of the JCB Teleskid.

MOTION: A motion was made by Director Spyksma and seconded by Director Roos to approve the purchase JCB Teleskid for \$106,511.00, plus pallet fork frame for \$1,450.00, plus tax at \$8,367.00 for a total amount of \$116,328.00.

The motion passed 5 to 0 by the following vote:

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

Item #9 – Consider Approval for Purchase of Shotline Mix for 2024/2025 Pipelining Operations

Mr. Jonnie Moore, SSJID Field Maintenance Supervisor, addressed the Board regarding approval to purchase 245 pallets of Shotline Mix from Innovative Shotlining, Inc. for the spray cast cement pipelining operation in the 2024-2025 construction season.

Mr. Moore cited the methodology to calculate the pounds of material needed for the 2024/2025 pipelining operation. He stated that there were only a few manufacturers in the nation that produce spray cast cement for pipelines, and Shotcrete Technologies is currently the District’s preferred manufacturer due to staff familiarity in working with and success of the product. Innovative Shotlining, Inc. is a local distributor for Shotcrete Technologies, Inc.

Mr. Moore noted that the product would be stored at a warehouse in Modesto, under a blank purchase order for the amount of \$385,421.75 plus freight (approximately \$43,700.00). The District will be billed per pallet (\$1,460.00) upon pick-up by staff, as needed.

Staff recommended Board approval to purchase 245 pallets of Shotline Mix from Innovative Shotlining for pipelining operations for a total amount of \$385,421.75 plus freight (approximately \$43,700.00). The 2024 Mid-Year Budget Update includes a material budget of \$460,000.00.

MOTION: A motion was made by Director Spyksma and seconded by Director Holbrook to approve the purchase of 245 pallets of Shotline Mix from Innovative Shotlining for pipelining operations for a total amount of \$385,421.75 plus freight (approximately \$43,700.00).

The motion passed 5 to 0 by the following vote:

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

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Item #10 – Consider Approval of Canal Linking Bid Alternative for the Sexton Road Bridge Replacement Project

Mr. Forrest Killingsworth, SSJID Engineering Department Manager, addressed the Board regarding approval of the SJC Sexton Road Bridge Replacement Project canal lining bid alternative. He provided history of the project, which was first initiated by SJC in 2016-2017; Board action on March 23, 2021 to approve SJC's improvement plans and the Cooperative Agreement between SSJID and SJC for the Sexton Road Bridge Replacement Project (Agreement); and SSJID and SJC finalizing and entering into the Agreement on May 17, 2021. Mr. Killingsworth emphasized the unique situation of the County's Right-of-Way, which pre-dates the District's easement, thereby limiting the District's ability to require the County to cover costs related to certain SSJID specific improvements.

Mr. Killingsworth explained that under typical bridge replacement circumstances, SSJID's property interests are first-in-time to any property interests of county or city rights of way. The District generally requires bridge owners to regrade and place a reinforced shotcrete liner on the inside banks of the MDC under the proposed bridge to prevent canal bank erosion and scour around the bridge abutments/foundations. He further explained that SJC and the California Department of Transportation (Caltrans) typically only require riprap as a form of slope protection in such situations, and that additional costs associated with the concrete liner are not eligible for reimbursement through federal funding because it's not a Caltrans requirement. Due to the fact that SJC's right of way property interest predates that of the District, the Agreement was drafted to provide the District with the option to pay the cost differential to install a shotcrete liner as opposed to riprap. To capture the differential cost, SJC included a bid alternative in their bid documents for shotcrete lining.

Bids were received by SJC in May. The line-item costs specific to the canal work from the apparent responsive low bidder (Dirt Dynasty) are \$109,090.00 for riprap slope protection, \$203,030.00 for shotcrete lining protection, for a cost differential of \$93,940.00. The County is currently reviewing the construction bids but intends to award the contract to the apparent responsive, responsible low bidder.

Staff recommended the Board authorize conditional approval for payment to SJC in the amount of \$93,940.00 to cover the cost differential between riprap slope protection and shotcrete liner for the Sexton Road Bridge Replacement Project; and authorize the General Manager to approve up to \$14,091.00 (15% of contract amount) in Change Orders to account for unanticipated circumstances, as needed.

Board approval will be subject to SJC's award of the construction contract to the apparent responsive, responsible low bidder, and the District making payments as shotcrete liner improvements are performed and after the County has invoiced the District for said improvements.

Board discussion included the law surrounding SJC's first-in-time status and their roll in serving as the lead agency on the Sexton Road Bridge Replacement Project; the District's preference for shotcrete liner slope protection; the District's past experience using riprap slope protection and subsequent issues with rodent holes and the integrity of the riprap changing over time; and the District's responsibility and liability to provide the MDC with appropriate slope protection generally.

MOTION: A motion was made by Director Kamper and seconded by Director Holbrook to authorize conditional approval for payment to SJC in the amount of \$93,940.00 to cover the cost differential between riprap slope protection and shotcrete liner for the Sexton Road Bridge Replacement Project; and authorize the General Manager to approve up to \$14,091.00 (15% of contract amount) in Change Orders to account for unanticipated circumstances, as needed.

The motion passed 4 to 1 by the following vote:

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

Item #11 To Be Discussed Following Closed Session

It was announced that all remaining items on the Closed Session agenda would be discussed. The Board took a brief recess at 10:55 a.m. and convened to Closed Session at 11:10 a.m.

Item #12 – CLOSED SESSION

RETURN TO OPEN SESSION

The Board returned to Open Session at 1:51 p.m.

Item #13 – 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 #11 – Following Performance Evaluation, Consider Annual Compensation for General Counsel

MOTION: A motion was made by Director Kamper and seconded by Director Holbrook to increase General Counsel’s annual salary by four percent (4%) effective on the employment anniversary date of August 21.

The motion passed 5 to 0 by the following vote:

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

Item #14 – ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:55 p.m.

ATTEST:

Danielle Barney, Clerk of the Board