

**MINUTES FOR THE NOVEMBER 28, 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. SSJID Engineering Manager Forrest Killingsworth led the flag salute. Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK KAMPER ROOS WESTSTEYN
ABSENT: SPYKSMA

Also present were General Manager Peter M. Rietkerk, General Counsel Mia Brown, and Clerk of the Board Danielle Barney.

Public Comment – None

CONSENT CALENDAR

- A. Approval of Checks in the amount of \$179,129.15; Accounts Payable Wires in the amount of \$677,069.09; and Payroll November 17, 2023 in the amount of \$300,639.63, November 17, 2023 in the amount of \$4,203.19, and November 20, 2023 in the amount of \$614.65.
- B. Approval of the Regular Board Meeting Minutes of November 14, 2023
- C. Financial Statements through October 2023
- D. Investment Report for October 2023

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

The motion passed 4 to 0 by the following vote:

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

COMMUNICATIONS

Item #1 – Directors’ Reports

Director Roos stated that he hoped all had a happy Thanksgiving holiday.

Director Roos reported that he conducted an on-site visit to view the status of the pipeline relining project at the D-line. He commented on the impressive work being done on the 2,000 feet of pipe.

Director Kamper addressed Ms. Sonya Williams, SSJID Finance and Administration Manager, and thanked her for coordinating the informative presentation at the November 14 board meeting regarding the District’s investments, which was given by SSJID’s Investment Advisor Kevin Martin from Cambridge Investment Research.

Director Holbrook reported that he attended the Tri-Dam Board meeting on November 16.

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Director Holbrook stated that he hoped all had a happy Thanksgiving holiday.

President Weststeyn reported that he attended the South San Joaquin Groundwater Sustainability Agency (SSJGSA) meeting on November 15. Discussion included the proposed SSJGSA 2024 budget.

President Weststeyn stated that he hoped all had a happy Thanksgiving holiday. He shared about a recent vacation taken out of the country and expressed gratitude and appreciation for the conveniences and opportunities provided to those in the United States.

President Weststeyn announced a San Joaquin Farm Bureau (SJFB) Water Advisory Committee meeting scheduled for 5:00 p.m., later that evening.

Item #2 – Various Reports

Mr. Frank Avila, SSJID Irrigation Operations Manager, addressed the Board and thanked them for the day off following the Thanksgiving holiday, as well as the days off following the upcoming Christmas holiday. He provided brief updates on various winter maintenance/construction projects, and work being conducted by the Joint Supply Canal (JSC) crew, pipelining crew, box crew, and Shop crew. He noted that staff will start working 4/10 schedules beginning on December 4.

Ms. Williams provided brief department updates including that SSJID Human Resources Specialist Don Thornburg completed the annual health insurance open enrollment process; SSJID IT Systems Administrator Michael O’Leary is working on the procurement and installation of the District’s new phone system; and the Finance Department is working on year-end tasks including employee W-2s. She added that the Board-approved District auditors, Price Paige & Company (PP&C) will begin the 2023 audit process in January 2024.

Ms. Katie Patterson, SSJID Public and Government Relations Manager, provided brief updates on current and/or upcoming community issues, meetings and/or events including:

- Ripon Consolidated Fire District “Community” Meeting on November 11 – Discussion included a potential Proposition 218 process to fund additional staffing needed to address response calls, and various vital other issues.
- California Special District Association (CSDA) Bi-County Chapter Meeting on November 16 – Discussion included funding needed for the Tracy Consolidated Fire District.
- City of Escalon “Parade of Lights” on December 2 – SSJID is participating in the parade with two (2) festively-decorated and lit vehicle entries. The parade begins at 5:30 p.m.
- North San Joaquin Water Conservation District (NSJWCD) Tour on December 8 – The Board has been invited to participate in a tour of NSJWCD facilities and/or projects. The event will take place from 8:00 a.m. to 12:00 p.m., and commence at the residence of John Kautz in Lodi. Lunch will be provided. Those interested in participating should contact SSJID Water Resources Coordinator Brandon Nakagawa, or Ms. Patterson. Itinerary to follow.
- SSJID Annual Holiday Campaign – The staff-led effort gives to local low-income and/or homeless children via participation in two (2) programs. Employees can contribute funds to the “Toys 4 Tots” campaign to purchase toys for donation to the United States Marine Corps (USMC) for distribution; and/or participate in the Ray of Hope “Guardian Angel” campaign to obtain a “scroll” which lists a child’s three Christmas wishes, and fulfil those wishes. The deadline for the “Toys 4 Tots” campaign is December 5 – see SSJID Irrigation Services Supervisor Joe Hasten for details. The deadline for the “Guardian Angel” campaign is December 12 – see Engineering Department Executive Assistant Dawn Driesen for details.

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Mr. Ed Erisman, Water Treatment Plant (WTP) Manager, reported that the California Department of Industrial Relations Division of Occupational Safety and Health (Cal/OSHA) conducted an on-site inspection, on November 15, to review the Nick C. De Groot Water Treatment Plant's (WTP) Emergency Action Plan (EAP) and Employee Safety Program. One (1) improperly installed grinder guard was identified and immediately corrected. The inspection concluded with no recommended changes.

Mr. Killingsworth provided brief updates on various projects including the Canyon Tunnel; JSC – Long Tunnel Upstream Portal Improvements; Lateral Q/Qc Regulation Reservoir; Frankenheimer Power Canal; and Woodward Reservoir Spillway. In addition, he reported that he and Mr. Avila conducted a tour of the JSC, Goodwin Dam, and the Canyon Tunnel, on November 15, for the District's Finance and Front Office staff. Mr. Killingsworth stated that it was an honor to showcase SSJID's rich history, structures, utilities, and water delivery process and that every employee should have the opportunity of the tour to fully understand and appreciate the District's vital and technical infrastructure.

Mr. Peter Rietkerk, SSJID General Manager, elaborated on Mr. Killingsworth update on the Woodward Reservoir Spillway and noted that Ms. Patterson was integral in scheduling a meeting with SSJID, Modesto Irrigation District (MID), and Turlock Irrigation District (TID) to discuss each agency's experience interacting with the California Department of Water Resources (DWR) Division of Safety of Dams (DSOD). He stated that the irrigation districts appear to be at different levels of interaction with DSOD on varying issues, and that the informative meeting helped to foster stronger relationships and coordination efforts with the other agencies. Mr. Killingsworth added that TID had been notified by DSOD regarding a need for a spillway on the Turlock Reservoir by 2035, but that MID has not been contacted, to date, by DSOD regarding the need for a spillway on the Modesto Reservoir.

Mr. Rietkerk reported that two (2) team members have left District employment to pursue new career opportunities. He named former Division Managers Austin Jackson and Cody Williams, and wished them well on their future endeavors.

Mr. Rietkerk reported on the SSJID Strategic Plan Update process, and Strategic Plan Workshop held on November 20. The workshop, attended by the Senior Leaders, select staff, and consultants Bell Burnett & Associates addressed the Strategic Plan interviews; staff survey results; the current Mission Vision and Values (MVV) and six (6) focus areas; adjustments and prioritization of the MVV focus areas; and goals for the next five (5) years. Additional work will continue into January to refine initial update concepts and prepare for the second workshop, to be scheduled in late January.

ACTION CALENDAR

Item #3 – Consider Approval of Design Build Contract for Solar Farm Repowering Project with NuLife Power Electric Services, LLC, in the Amount Not to Exceed \$3,000,000.00

Mr. Bill Schwandt, SSJID Electric Utility Manager, addressed the Board regarding the proposal from NuLife Power Services (NuLife) for solar farm repowering, and read aloud an article published in the Manteca Bulletin, dated November 28, 2023, titled "Solar Play Repower Avoids Paying PG&E \$1M Annually." He stated that the article was derived from information included in the agenda Item #3 Staff Report, which provided background of SSJID's history, the Robert O. Schulz's Solar Farm operations and analysis, the WTP operations, the Tri-Dam Project operations, and an update on the District's Retail Electric Project.

Mr. Schwandt thanked all for their contributions to the Retail Electric Project including the SSJID Finance Department, Irrigation Operations Department, Engineering Department, SSJID General Counsel Mia Brown, Mr. Rietkerk, and past and present SSJID Board of Directors.

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Mr. Schwandt provided a recap of the Request for Proposal (RFP) process, and detailed the scope of work to be performed in three (3) phases, on a Time and Materials (T&M) basis, for a total not-to-exceed cost of \$3,000,000.00. He stated that the goal is to complete Phase 1 by June 30, 2024 in order to maximize production for the summer sunny season and that if NuLife and SSJID are comfortable with the progress and performance after Phase 1, the project will continue into Phase 2 and Phase 3 avoiding outages during peak production months, thus maximizing energy production. Mr. Rietkerk noted that other bids were received with varying options presented (e.g. contractor-provided solar products, installation only, solar battery contractor, etc), but NuLife was the proposal that covered all factors requested in the RFP at the lowest cost.

Board discussion included the high proposed cost and to initiate another RFP process; the potential for equipment failure and revenue loss of \$350,000.00 to 650,000.00 if the project is delayed approximately 1.5 months for a renewed RFP process; the good fortune to find a contractor to rewire, install, repair, use SSJID’s materials, and remove and dispose of solar panels; the federal regulations and requirements for proper disposal of solar material; the value of moving forward with the project; and the “opt-out” clause following completion of Phases 1, 2 and 3 as noted in the proposed Design Build Contract for Solar Field Repowering Project with NuLife.

Ms. Brown clarified that the scope of work for each phase will be assigned by a Task Order with a not-to-exceed amount. She noted a handout distributed to the Board depicting a revision made to page 3, inserting Item #9 – Payment and Performance Bonds which will require the Design Builder to provide a Performance Bond and Labor and Materials Bond in the full amount of the task order when said task order involves the procurement of materials or equipment, construction, and/or installation of materials or equipment exceeding Twenty-Five Thousand Dollars (\$25,000.00). Ms. Brown stated that the inserted language is consistent with District standard contract terms, and that other revisions included minor clerical issues deemed necessary for clarification purposes without changing the substantive legal content of the document.

MOTION: A motion was made by Director Holbrook and seconded by Director Kamper to approve the Design Build Contract for Solar Field Repowering Project with NuLife Power Services, for the repowering of the 1.6-megawatt Robert O. Schulz Solar Farm for an amount up to \$3,000,000.00, and to further authorize General Counsel and General Manager to make non-substantive edits to the contract as necessary.

The motion passed 3 to 1 by the following vote:

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

Item #4 – Consider Approval of the SSJID 5-Year Plan of Major Expenditures for January 2024 – December 2028

Ms. Williams addressed the Board and explained that the SSJID 5-Year Plan of Major Expenditures for January 2024 – December 2028 (Plan) is presented to the Board every six (6) months and provides context to the annual Capital Budget allowing staff and the Board to properly plan large projects. She emphasized that the Plan is to be used as a guide and does not grant approval for projects presented in the Plan. Staff and the Board may decide to alter the Plan during the mid-year update and/or at the next annual adoption.

Ms. Williams referenced page 14, line 134, Item WTP23.48, Overlay Chemical Building Roof Project, and noted a correction to be made deleting \$106,125.00 from the 2028 year for a revised total project budget of \$106,125.00 in 2027.

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Ms. Williams provided a brief recap of projects completed, canceled and/or changed.

The Board referenced page 11, line 90, Item SLR21.03, Consulting Contract – Bradley, and inquired on the necessity of continued services with Mr. Mel Bradley, to which Mr. Rietkerk responded that Mr. Bradley would be providing inspection services, and oversee the solar farm maintenance and repowering project by NuLife.

MOTION: A motion was made by Director Roos and seconded by Director Holbrook to approve the SSJID 5-Year Plan of Major Expenditures for January 2024 – December 2028.

The motion passed 4 to 0 by the following vote:

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

Item #5 – Consider Approval of the SSJID Proposed 2024 Budget

Ms. Williams addressed the Board regarding the proposed SSJID 2024 budget, and stated that the Board may choose to adopt the proposed 2024 budget as presented, adopt the proposed 2024 budget with specified changes, or ask for a revised budget proposal to be considered by the Board at the December 19 meeting. She clarified that adoption of the proposed official budget document which was presented in the staff report for agenda Item #5, Attachment A, would include adoption of the Capital Budget, the Water Treatment Plant (WTP) budget, and the South San Joaquin Groundwater Sustainability Agency (SSJGSA) proposed 2024 budget which was included in the body of the staff report.

Ms. Williams provided detailed explanations of operating revenues, operating expenses, non-operating revenues, and capital contributions. Further explained was a 2022/2023 actual comparison, and the 2024 projected budget for expenses including payroll taxes and benefits; health insurance rates; materials and supplies; maintenance, repairs and improvements; utilities; general and administrative costs; the SSJGSA budget; the San Joaquin Tributaries Authority (SJTA) contribution; and Tri-Dam distributions amounting to a grand total deficit of \$5 million. Noted were the proposed budgets for Capital Improvement projects at \$7.8 million, and WTP projects at \$1.7 million for a grand total of \$9.5 million.

Ms. Williams explained the 2024 estimated cash flow, total capital expenditures, and approved employee positions.

President Weststeyn thanked Ms. Williams for her detailed presentation.

Mr. Rietkerk expressed thanks and appreciation to staff and the budgeting team for their contributions, time, and effort put forth in the 2024 budget process.

MOTION: A motion was made by Director Kamper and seconded by Director Roos to approve South San Joaquin Irrigation District Proposed 2024 Budget.

The motion passed 4 to 0 by the following vote:

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

It was announced that all remaining items on the Closed Session agenda would be discussed. The Board took a brief recess at 10:51 a.m. and convened to Closed Session at 11:00 a.m.

Item #6 – CLOSED SESSION

RETURN TO OPEN SESSION

The Board returned to Open Session at 11:30 a.m.

Item #7 – 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 #8 – ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 11:31 a.m.

ATTEST:

Danielle Barney, Clerk of the Board