

Manteca, California
April 13, 2010

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:00 a.m.

Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK KUIL KAMPER SCHULZ ROOS

Also present were District Counsel Emrick and Engineering Department Manager Bologna.

President Kamper called the meeting to order and asked for public comment. There being none he asked the Board to consider approving the Consent Calendar Items as presented:

CONSENT CALENDAR

- A. Warrants of \$415,553.82 and Payroll of \$316,775.39
- B. Regular Board Meeting Minutes of March 23, 2010.

General Counsel, Steve Emrick made note that a PG&E representative was in attendance and was taping/recording the proceedings.

Holbrook noted that there were several typos in the Minutes that need correcting.

Director Kuil made a motion to accept the Consent Calendar with the above mentioned corrections. The motion was seconded by Holbrook.

PASSED AND ADOPTED this 13th day of April 2010 by the following roll call vote:

Ayes:	Holbrook	Kuil	Kamper	Schulz	Roos
Noes:	None				

Item #1. Consider approval of Agreement to Amend Irrigation Service Abandonment Agreement # 1546, with Scott & Shelley Baker, APN 245-150-48. and Item # 2. Consider approval of Agreement to Amend Irrigation service Abandonment Agreement #1085, with John & Denise Van Till and Robert & Sandy Kamps, 245-150-50 & 51. Engineering Department Manager, Sam Bologna addressed the Board concerning both Items 1 & 2. Bologna said that this system does not have a turn off valve, no sump and there is no record of a structure permit for the tie in. Bologna said he recommends approval of the amendments with the condition that the owners bring the system up to District standards. Director Holbrook said that he is keeping track of these conditional agreements that the Board approves, because he wants to make sure that we are following through and that the conditions are being met in a timely manner. Holbrook stated that he is not interested in being punitive but wants to make sure that these issues are corrected.

Kuil made a motion to approve Agreement to Amend Irrigation Service Abandonment Agreements # 1546 and #1085. The approval is contingent on the landowners making District approved modifications to their system by the start of 2011 Water Season. Motion was seconded by Holbrook and unanimously approved.

Item #3, Authorize General Manager to enter into agreement with Baker Petrolite Corporation. Shields told the Board that Emrick has done an excellent job protecting the interests of the District in this matter. Emrick explained to the Board that because Baker Petrolite is located in Texas, the Agreement is subject to Texas law. He told the Board that under the revised agreement, the seller will be responsible for any losses during transportation from Taft to the point of delivery. Kamper asked if we could have the Magnacide delivered to the WTP and store it there until we use it. Emrick said he would check with Jim Atherstone to see if our permit will allow the change in delivery and storage location. Motion by Schulz and seconded by Holbrook to authorize General Manager to sign the revised agreement with Baker Petrolite Corporation. The motion was unanimously approved.

Emrick told the Board that we are looking for alternatives to Magnacide use.

Item #4, Agreement with OID regarding the 2010 San Joaquin River Agreement. Emrick explained that the SJ River Agreement's 10 year term has been extended for one year, to include 2010. As a result SSJID could potentially be responsible for contributing water towards the flow requirement at the Vernalis measuring station during the 30 day Spring pulse flow period. In the past, we had an agreement with OID to cover years when there was insufficient flow capacity in the Stanislaus River for the District to make its required contribution. Under that agreement, OID would deliver water to MID through their Claribel Lateral and SSJID would pay them \$30,000 to cover OID's costs to administer the agreement. The Agreement with OID for the 2010 SJ River Agreement would have no effect if SSJID is able to make its required contribution directly into the Stanislaus River. Motion to authorize the General Manager to sign the Agreement with OID was made by Holbrook and seconded by Roos. The motion passed unanimously.

Item #5, Increase in costs for LAFCo's Independent Review of Retail Electric Application. Emrick told the Board that he thinks the review will be done soon. He said that LAFCo has been good to work with. Schulz asked if this payment will cover all final costs related to the review. Emrick said that \$35,000 was an estimate, but said it is very close to the end. Motion by Holbrook and seconded by Kamper to authorize payment of \$35,000 to LAFCo, to cover its costs for the independent consultant's services.

Item #6, Sale of Solar Renewable Energy Credits. Shields told the Board that Shell Energy North America (SENA) has asked if we would be interested in selling the transferable Solar Renewable Energy Credits (SREC's) that we have accumulated from the production of energy at the solar farm. SENA made an offer to buy the credits for \$7.5/REC with a 5 year agreement. Shields told SENA that because we may want to use the REC's to meet our own renewable energy portfolio obligations we would only consider a 2 year agreement. Shields asked the Board for authorization to execute the necessary documents in order to sell the REC's from the Robert O. Schulz Solar Farm to SENA at the price of \$7.5/REC including all REC's accrued to date and any produced through 2011. Kamper asked what the risk of not selling the credits would be. Don Battles told him that there is a risk that the value could be reduced or cancelled. Kuil

made a motion to sell the accumulated solar renewable energy credits and those generated through 2011 to SENA at \$7.5/REC. The motion was seconded by Holbrook and unanimously approved.

General Managers Report:

- 1). Shields showed a picture of a hand painted sign that stated, "PG&E took our land". The sign is located on West Ripon Rd.
- 2). Doug Demko will be making a special presentation to SJ County Water Advisory Commission meeting April 21st @ 1 o'clock
- 3). Handed out information concerning current reservoir conditions. Commented that it looks like it's going to be a good water year.
- 4). SJ Farm Bureau Annual Dinner will be held at the Ripon Community Center, Friday May 21st. Asked that those interested in attending, let Cheryl know so that reservations can be made. Kuil, Schulz & Holbrook said they would attend with their spouses. Kamper & Roos were undecided.
- 5). Will be leaving for Washington DC on Sunday, April 18 to attend the One Voice Trip.
- 6). Despite the bad weather during the Manteca Street Fair on April 10 & 11, we received numerous signatures expressing interest in seeing the District get into the retail electric business.

The following Structure Permits were approved:

- 1). Joan Kamps, APN 206-090-08, to install 30" concrete pipeline and 30" valve on Lateral "Og 223 dd" @ Sta 3+26
- 2). Seray Investment Co., APN 228-030-09 to install 24" valve and 3 sided enclosure on Lateral "T" @ Sta. 306 +/-
- 3). Roman Catholic Church, APN 245-180-24 to install a sump and appurtenant sprinkler pump on Lateral "Ta" @ Sta. 20 +/-
- 4). Wai K. Lau, APN 257-270-55 & 56 to install three 24" valves and one 30" valve on Lateral "Ufa 13 dd" @ Sta. 10, 12, 16 & 18
- 5). Elmer Franscella , APN 203-220-41, to install three 30" valves on Lateral "Kac-Qc" @ Sta. 137, 140+21 & 143+43
- 6). James Thissen & Randall Walton, APN 208-070-34 to install one 12" hub valve from 30" air vent connecting to private line on Lateral "R" @ Sta. 550 +/-.
- 7). John Bruns, APN 208-070-29, to install one 36" valve on Lateral "R" @ Sta. 553 +/-
- 8). Forrest Martin, APN 208-070-25 to install 6" PVC pipe over Lateral "R" @ 546 +/-
- 9). Forrest Martin, APN 208-070-25, to install 30" Waterman service gate and connection to private line on Lateral "R" @ Sta. 542 +/-
- 10). Manuel Medeiros, APN 177-090-59 to install two 30" valves on Lateral "Qo" @ Sta 20 & 30
- 11). Marjorie Alfieri, APN 205-080-04 to install a sump with appurtenant sprinkler pump on Lateral "Bkf" @ Sta. 4 +/-
- 12). Kenneth McFetridge, APN 177-090-60 to install one 30" valve & structure on Lateral "Qo" @ Sta. 30 +/-
- 13). George Teixeira, APN 177-090-57 to install one 20" modified "U" structure on Lateral "Qo" @ Sta 32 +/-

- 14). Arnold Rothlin, APN 226-070-02 to install an 8" drain inlet with a positive shut off per District standard on Drain 11 @ Sta. 152 +/-
- 15). Nancy Franzia, APN 206-090-24, to install 30" irrigation valve on Lateral "Qg" @ Sta. 220 +/-

The following Encroachment Agreement was approved:

- 1). Dennis McDonald, APN 229-030-07, to encroach upon a portion of District Lateral "Be" with a fence

Water Treatment System Manager's Report: WTP Manager Bill Hubkey said that Ed Erisman would be giving the Managers Report:

- Water Treatment Plant Budget for Fiscal Year Ending 6/30/2011 has been submitted to the Cities
- He and Don Thornburg are reviewing alternative scheduling of Plant staff in an attempt to reduce operating costs.
- Switched to raw water side #1 and cleaned stabilization basin #2 along with DAF's #3 and #4.
- Contacted Zone 7 about their practice of storing dried ferric sludge on-site. Zone 7 was recently fined by the Regional Water Quality Control Board and is now hauling the sludge to a landfill.
- Plant staff is currently working with Steve Emrick to contract sludge disposal.

Directors Reports:

Director Roos

- Reported that the Finance Committee met with Kevin Martin to review District investments.

Director Kuil

- Reported that he and Director Schulz went on a boat tour, of Tulloch Reservoir with Tri-Dam on Monday. He said it was a good tour despite the bad weather.

Director Holbrook

- Reported that on March 30, he and Don Thornburg attended the SDRMA, Safety Claims/Education Day in Sacramento. A few of the topics covered were as follows; documentation of safety training, the importance of filing reports properly, new employee hazards training and Board education. He said it was a very good day and he learned a lot.
- Thanked Troylene for the good job she did at the Great Valley Ag Day.

Director Kamper

- Asked who took over the liability insurance responsibility since John Stein retired.

Shields told him that Bere Lindley has taken over that responsibility.

President Kamper called for closed session. General Counsel, Emrick stated the Board will discuss the following items in closed session.

- a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- 2 cases
- b. CONFERENCE WITH LEGAL COUNSEL-
Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 - 1 case
Various water quality proceedings before State Water Resources Control Board—Delta Flow Criteria, San Joaquin River Flow Objectives
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Property: APN 208-070-35
Agency Negotiator: General Manager
Negotiating Parties: District and current property owner
Under Negotiation: Price and Terms of Payment
- d. CONFERENCE WITH LEGAL COUNSEL-Existing litigation
Subdivision (a) of Government Code Section 54956.9
-PG&E General Rate Case 2011- CPUC A.09-12-020

- OID & SSJID v. US Department of Commerce US District Court Case No. 1:09-cv-2452.

Upon returning from closed session, General Counsel, Emrick reported that the following action was taken. The Board authorized the expenditure of a sum not to exceed \$35,000 towards the petitioners legal fees incurred in the case of Modesto Irrigation District et al. v. Debra Bowen, in her capacity as California Secretary of State, Superior Court of the State of California for Sacramento County, Case no. 34-2010-80000478. The action was approved with a 4 to 1 vote, Director Roos voted no.

There being no further business to come before the Board it was moved by Director Schulz, seconded by Director Roos, and unanimously carried to adjourn to April 27, 2010 at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary