

Manteca, California
January 8, 2008

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

Upon roll call the following members were noted present:

DIRECTORS:	HOLBROOK	KAMPER	KUIL	ROOS
ABSENT	SCHULZ			

Also present were Secretary/Manager Shields, District Counsel Emrick, District Engineer Gilton, Communications Coordinator Sayler and Water Treatment Manager Hubkey.

President Kuil 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. SSJID warrants of \$2,372,125.12 and payrolls of \$348,344.07.
- B. Regular Board Meeting Minutes of December 11, 2007.
- C. Adoption of 2008 Investment Policy.

RESOLUTION NO. 08-01-F SOUTH SAN JOAQUIN IRRIGATION DISTRICT INVESTMENT POLICY

I. Statement of Purpose:

This Policy is to provide direction for the investments of funds which are directly managed by the District and establish reporting procedures for all investments for oversight review. The District treasurer is delegated the responsibility to invest and reinvest District funds and to sell or exchange District securities and to make periodic reports to the Board of Directors in accordance with this Investment Policy.

II. Investment Objectives:

The following are the objectives of the District's investment policy, in order of priority:

- A. The primary investment objective is safety: It is the primary duty and responsibility of all persons directing investments to protect, preserve and maintain the principal from any loss by mitigating the two types of risk: credit risk and market risk.
- B. The secondary investment objective is liquidity: An adequate amount will be maintained in liquid short terms securities which can be converted to cash as necessary to meet disbursement requirements.
- C. The third investment objective is yield: Yield will be considered only after the basic requirements of safety and liquidity have been met.

III. Delegation of Authority and Investment Guidelines and Restrictions:

- A. District's funds shall be managed in a manner consistent with this Policy.
- B. The Treasurer is delegated the authority to invest or to reinvest the District's funds and to sell or exchange securities in accordance with this Policy until the delegation of authority is revoked or expires.
- C. General Guidelines:
 - 1. The Treasurer will develop and maintain a cash flow analysis for

the projection of needed funds.

2. The Treasurer is authorized to invest that portion of or all of the District's funds not required for immediate use in the Local Agency Investment Fund (LAIF) and the investments authorized in this Policy, subject to such limitations as may be imposed by the Finance Committee or the Board of Directors. The Treasurer is authorized to utilize Crocker Securities LLC or such other licensed investment advisor as may be authorized by the Finance Committee or the Board of Directors, to invest the District's funds not required for immediate use.

3. When banking transactions involve sums of money greater than \$100,000, the Treasurer shall take such steps to insure the depository bank maintains sufficient securities for the deposits as set forth in California Government Code section 53652. It is intended that bank deposits and balances in excess of \$100,000 are for short duration, e.g. 2 to 3 days before disbursements or transfers out are made. The Treasurer is authorized to waive security for deposits up to the amount that is insured by federal law, in the manner authorized by Government Code section 53653.

D. The following additional guidelines and restrictions shall be followed by the Treasurer when making investments:

1. All funds invested on behalf of the District will be managed to meet the requirements in Chapter 4 of Part 1, Division 2, Title 5 of the California Government Code, commencing with Section 53600 et seq., and this Policy.

2. The legal, final maturity of any single security within the portfolio will not exceed 5 years at purchase, with maturities laddered to protect against market swings.

3. The Weighted Average Life of the portfolio will not exceed 3 years.

E. The following are permitted investments:

Permitted investments under this policy are all investments authorized by California Government Code Section 53601, as amended from time to time, subject to the applicable limitations in that section and the other sections in Articles 1 and 2, of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code. The investments permitted by California Government Code section 53601 are enumerated below:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of banker's acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the banker's acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6 (commencing with [Section 11501](#)) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by [Section 5102 of the Financial Code](#)), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision-making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j)

(1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum

earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4)

(A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5)

(A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

(l)

(1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 ([15 U.S.C. Sec. 80a-1](#) et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of

beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint power authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (n), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

F. The Portfolio Performance Manager will provide to the Treasurer:

1. On at least a quarterly basis, the results of the portfolio performance. Investment performance to be measured against a commonly accepted market benchmark which approximates the specific restrictions on the portfolio. Consideration will be given to the extent to which the investment results are consistent with the investment objectives set forth in this policy.

2. On a monthly basis a report with at least the following information:

1. Description of investment
2. Date purchased
3. Maturity date
4. Amount of investment on a cost and on a current market basis
5. Coupon rate
6. Yield to Maturity at Purchase
7. A statement that all investments are in accordance with this Policy

G. The District's Finance Supervisor is empowered to transfer monies and make investments on behalf of the District in the absence, or at the direction, of the Treasurer subject to the limitations in these guidelines.

IV. Reporting Requirements

- A. The Treasurer shall submit to the Board of Directors on a monthly basis a report of the District's monthly investment transactions pursuant to Government Code §53607.
- B. The Treasurer shall prepare periodic reports (at least quarterly) for the General Manager and Board of Directors reflecting the details of investments, returns and balances. Supplemental or more frequent reports as requested by the Board or as determined by the General Manager or Treasurer will be prepared.
- C. The Treasurer shall annually render to the Board of Directors a statement of investment policy, which the Board shall consider at a public meeting. Any changes in the policy shall also be considered by the Board at a public meeting.
- D. On an annual basis the Treasurer will instruct the District's Auditor to perform a review of California Law and prepare a written report of all changes in the law for examination by the District's Finance Committee. Said reports shall contain the Auditor's recommendation for adoption of new investments, and shall be preceded with a brief summary relative to the effect of recent changes in Federal and State laws upon the District's Investment Policies, Objectives, Guidelines and Restrictions.

PASSED AND ADOPTED this 8th day of January 2007.

Motion by Director Roos, seconded by Director Kamper, to approve the Consent Calendar items as presented.

PASSED AND ADOPTED this 8th day of January 2008 by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Roos
Noes:	None			
Absent:	Schulz			

Consider authorizing hiring two temporary workers at the Water Treatment Plant. Hubkey said we have one temporary employee but we need two because of the increased number of defective fibers. He said that each time we clean the fibers we have more that need to be repaired. He said we are still negotiating with Zenon to replace or repair the modules. Shields said we are asking for two, but because we already have one, but could not locate where this was approved by the Board, thus we will only be hiring one additional temporary employee. Thus, if approved both will be authorized, but only one new one will be hired. We have a meeting scheduled on January 23, 2008 with Zenon,

who was purchased by General Electric, to discuss the solution to this problem. He said staff will meet ahead of time to discuss strategy.

Kuil asked if GE is sending someone who can make decisions. Shields replied that he has not received a list of attendees, but assumes GE will send someone who can make decisions on the spot.

Director Kuil asked if we had invoiced them for our costs to repair their defective fibers. Shields said no but that he would have Hubkey put together a sheet with our costs and definitely bring it up with General Electric.

Moved by Director Holbrook, seconded by Director Roos, and unanimously carried, to approve hiring two temporary employees.

President Kuil asked Hubkey to give his Water Treatment Plant Manager's report.

Hubkey reported the following:

In December we had zero power failures.

Relative to the leak in the sludge bed, we are attempting to get this repaired under the warranty.

Two Atlas Screw Compressors got water in them; Gilton is designing a cover to protect them in the future.

Ozone cleaning for iron in the tanks is finished.

On December 27, 2007 the electricity going to the plant was shut down for 9 hours in order to facilitate hooking up to the power supply from the Solar Farm, located next door to the plant. We are scheduled to have two more shutdowns before we start receiving solar power.

Consider approving amendments with the City of Manteca to accommodate the Costco Project. Shields said Costco is concerned that we would or could block access to their store based on the District's encroachment agreement with the City of Manteca. Emrick said the agreement clarifies that Daniels Street may remain a public street even if the encroachment agreement is terminated. He said he recommends the proposed amendment submitted to the Board. However Costco's attorneys have not as yet agreed. He would like to have authority to work with Costco to settle any minor differences and asks that the Board give the President and Secretary authority to execute the MOU.

Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried, to authorize District Counsel Emrick to reach an agreement as to final wording on the MOU with Costco, and to authorize execution of the MOU by the President and Secretary of the District.

Discussion of District pipeline replacement project on APN 226-070-02 owned by Arnold Rothlin, Jr. Shields said that Mr. Rothlin's complaints quoted in the newspaper are unfounded. He said both staff and the contractor have met with Mr. Rothlin and have gone out of their way to accommodate him. He said there is a 16 inch natural gas PG&E pipeline in the same easement as the line we are replacing. The gas line required us to abandon the old poured in place pipeline, but not remove it. Mr. Rothlin refused to allow the contractor to use property outside our easement, even though the contractor offered to disc and reseed the areas disturbed including our easement.

Director Kuil agreed everyone, staff, the contractor and he did everything they could to mitigate Rothlin's concerns. Kuil said he would like to make sure that in the future, before we decide to replace a pipeline on a grower's property, that we are certain this is the best course of action.

Director Kamper said he feels this has been done, except he felt he could have done a better job with the newspaper reporter which should be a good lesson to all directors. He

said he should have asked when the article was coming out, if she had talked to staff, and if he could find out the details and get back to her before it went to press.

Director Holbrook said we must be careful not to give one landowner special favors, as if we do it for one, we should be prepared to do it for everyone. Additionally he said there may be times when we just have a property owner that cannot be satisfied.

Sayler said she agreed with Director Kamper in that when directors are contacted by media directly, unless they are very confident about their answer, they should ask for the reporter's name and number and let them know that they will look into the facts of the situation and get back to the reporter as soon as possible. They do not need to feel pressured to say anything. Sayler would also recommend that the directors then call staff to ensure the best possible response is given.

Gilton said that staff not only respect grower's property, but we are always working with contractors to make sure they also respect grower's property and accommodate the grower whenever practical.

No action was taken.

Appoint an Ad Hoc Committee to work with staff to improve irrigation efficiency. Shields said he would like a committee to work with staff to explore means to improve irrigation service, review our current efficiency incentive programs and to determine the wishes of landowners. In this regard, Gilton said he has invited Dr. Burt to come back and talk to us again. President Kuil asked Directors Kamper and Holbrook if they would accept the appointment to the Ad Hoc Committee. Both replied yes. Kuil appointed Director Roos as alternate.

No action was taken.

Consider approving amended "Reimbursement Policy." Shields said in looking at the policy he wanted to make some changes and clarify points in the policy, and put the District's practices into the policy. He said it is important to remember that all charges must be "reasonable and necessary". The policy clarifies that a receipt is required for meals showing details of purchases for two reasons.

- 1) The District does not reimburse for alcohol.
- 2) The District needs to know how many and who are on the ticket

Emrick said the goal is for reimbursements to qualify as reimbursable under an Internal Revenue Service Accountable Plan, which will not require payments to be considered as taxable income. The rate of reimbursement is based on the total per diem for the particular location as published in "IRS Publication 1542. The dollar amount is different based on the location. For example, New York City is quite high. We use as the maximum reimbursement, the per diem rate in the IRS Publication, times 2, which is a change from the old policy, which was times 3. He said if Directors, Officers, and employees fail to comply they may be reimbursed, but the reimbursement may be taxable income. Director Roos asked if this applies to conferences. Emrick said it does, that the IRS per diem times 2 should be sufficient in all or most all cases. If it is not, the General Manager is authorized to approve reasonable exceptions. After discussion it was moved by Director Holbrook, seconded by Director Roos, and unanimously carried, to adopt the amended "Expense Reimbursement Policy".

Manager's Report:

Shields reported the following:

Gave a hand out of historical rainfall at Beardsley Reservoir for the last 40 years.

Said we hosted a Tri-Dam meeting with SEWD on December 31, 2007, to review the 2008 budget for Goodwin Reservoir.

Handed out thank you cards from landowners and suppliers expressing appreciation for waiving the 2008 irrigation charges..

Told the Board we have rented a booth for the Almond Blossom Festival to be held February 22, 23, and 24. Will need Directors to participate manning the booth. Asked the Board to let him know when and if they would be available.

Passed around a Ripon Chamber of Commerce magazine with highlights of SSJID. Board asked if they could get copies of this. Shields said he would see to it.

Security Gate here at the yard should be finished by February 15, 2008.

Reported on a "Lobby Forum" in Washington D.C. April 4th through April 11th. Board consensus was for Director Holbrook to attend.

Property owner, McManis has asked about the three acres we have on River Road east of the Ripon Spill, they want to trade us for nine acres closer to the River. Will get additional details and put on agenda when available.

Handed out an article about the fiscal crisis in California.

Water Education Foundation wants an \$800 contribution and the San Joaquin Farm Bureau is also asking about donations. Will put both on January 22, 2008 agenda.

IRS Reimbursement for use of personal vehicles is 50.5 cents per mile effective January 1, 2008.

Handed out activities report from San Joaquin River Group Authority.

Directors' reports:

Holbrook asked about someone from the District attending a legislative conference in Washington D.C. on February 26 thru 28, 2008. After discussion it was agreed that Director Holbrook would attend.

Holbrook said the General Managers report from East Bay Municipal District (EBMUD), tells about a Leadership Council to train from within for Management positions. He said he understands the District prefers to promote from within and wondered if we might do something like this. Shields said he would check into it.

Shields said we will be looking at obtaining grants from both the State and Federal Governments.

Kamper said that East Bay MUD, SEWD and others did a study on groundwater. Asked Gilton if he could obtain a copy of the report. Gilton said he would.

Kamper asked about the meter SEWD was to have installed. Shields said he would look into it.

Roos asked that mail delivered to the Directors whether or not it is marked "personal and confidential" should not be opened. Shields said he would see to that it is not done in the future.

Roos asked if the City of Ripon used any of our drains. He said he noticed them pumping water into Lateral V near the Wilma overpass. Gilton said he would look into it.

Kuil asked about the City of Ripon's Agreement to take water from the District and where the City is taking the water. Shields said he will find out.

President Kuil called for closed session. District Counsel Emrick said we will be discussing the following items in closed session:

Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. One case.

Conference with labor negotiator. Agency Negotiators: Lee Clark and Jeff Shields. Employee Organization: I.B.E.W. Local 1245.

Upon returning from closed session District Counsel Emrick reported the following action was taken:

Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried to authorize Counsel to return the claim made by Pam Neronha as being untimely and incomplete.

There being no further business to come before the Board it was moved by Director Roos, seconded by Director Kamper, and unanimously carried, to adjourn to January 22, 2008 at 9:00 a.m. the their chambers.

ATTEST:

John Stein, Assistant Secretary