

Manteca, California
January 13, 2009

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 KAMPER ROOS
 ABSENT: KUIL SCHULZ

Also present were Secretary/Manager Shields, District Counsel Emrick, Utility Systems Director Battles, Communication Coordinator Saylor, WTP Manager Hubkey, and Engineering Department Manager Bologna.

Vice President Kamper called the meeting to order and asked for public comment.

Rick Dawson, Escalon asked about a copy of a letter he had that was addressed to the Cities of Escalon, Manteca, Lathrop and Tracy indicating a 15% discount on power rates at the WTP due to the Solar Plant. His question; why is the District giving a 15% discount to the out of District Cities of Lathrop and Tracy? District Counsel Emrick explained that we cannot reply to your question because this issue is not on the agenda. Mr. Dawson was asked to give us his phone number we would get back to him with an answer to his question.

Vice President Kamper asked if there are any deletions or additions to the agenda. Shields said he would like to remove item number 2, "Authorize change order with Stantec Consulting, Inc., for work related to the Division 9 project. Also, he would like to add an item to the agenda which he found out about too late to make the agenda.

Motion by Director Holbrook, seconded by Director Roos, and unanimously carried, to delete item #2, and to add the hiring of Tanner & Associates to assist Director Holbrook and Saylor at the ACWA/APPA Legislative Conference in Washington D.C. to the agenda on the grounds that the item was discovered too late to make the agenda action is required before the next agenda.

Vice President Kamper asked the Board to consider approving the Consent Calendar Items as presented.

CONSENT CALENDAR

- A. SSJID Warrants of \$3,057,450.08, Wires of \$155,327.47, and Payrolls of \$357,383.07.
- B. Regular Board meeting minutes of December 23, 2008.
- C. Agreement to Transfer Irrigation Facilities by and between James & Lori Bylsma and SSJID in connection with the Lateral "A" Project.

Director Roos asked about two AIG Corporate Bonds the District owns which are valued at less than half what we paid for them in October 2007 and mature in August and November 2011. Stein said he would get a written answer from Kevin Martin at Cantella.

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

PASSED AND ADOPTED this 13th day of January 2009 by the following roll call vote:

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

Consider authorizing acceptance of quote submitted by EC Engineering to purchase the DBT6 DAF jar testing unit. Hubkey said the unit simulates how the Plant operates and determines coagulant in the DAF. Having this and making minor adjustments without having to guess could save \$12,000 per year due to reduced chemical costs. Cost of the unit is \$10,350 plus shipping of \$400 and sales tax of about \$855 for a total cost of \$11,650. Hubkey said there are only two companies who sell the unit, one in England and the other in Canada. He got three good references from the Canadian unit, plus Weber State University in Ogden, Utah recommends the Canadian unit. When checking the English unit he got fair to poor references. Motion by Director Holbrook, seconded by Director Roos, and unanimously carried, to approve purchasing the DBT6 Jar Testing Unit from EC Engineering Company at a not to exceed cost of \$11,650.

Vice President asked Hubkey to give his report:

Plant staff will finish the water line to the solar plant this month.

Staff along with Ray's Radio is working on the alarm system for the Compressor Station at Woodward Reservoir.

Fire inspections will be completed this week at L-1 and the Tracy Booster Station.

Plant will be shut down eight hours this month when the new power intertie is done. Staff has two projects to work on during the shut down: 1 Complete the solar water line, and 2. Finish the wiring for emergency lighting in the Zenon Building.

Staff is working on converting the Operations Plan and the Hazardous Materials Plan to digital format disks.

Authorize retaining Kanner & Associates, Washington D.C. to assist Director Holbrook and Communication Coordinator Saylor who will be attending the ACWA/APPA D.C. Conference February 24-26, 2009. Shields said Marty Kanner will help us arrange meetings with committee members who might be able to help us on funds for the Division 9 Project and possibly for Ripon's possible connection to our Water Treatment Plant. Shields said without Mr. Kenner's contacts, it is almost impossible to get to see the appropriate people in D.C. Shields said the cost for their services is \$170 per hour not to exceed \$7,000. Kamper asked about Federal monies, indicated he has heard you can wait up to seven years after the request is approved to get the money. Shields said even if there are delays we can use the money to extend the current project for future benefits. Kamper asked if we save water with this program are they going to take it away or do we control this, in other words are there strings attached to this money? Shields said the goal for the trip to Washington DC is to get answers to these and other questions that we have. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried to approve writing an engagement letter to Kanner & Associates at a cost not to exceed \$7,500.

Consider approving Consol Proposal to prepare an outline of a Public Benefits Program and to pursue relevant grant opportunities. Shields introduced Michael G. Hodgson of Consol. Mr. Hodgson said, if hired he would be doing a Public Benefits Program for our LAFCo application/presentation coming this year. Additionally, he would help us apply to the California Energy Commission (The CEC) to help fund the program. He gave a brief resume of his company's experiences and those they have worked for. Director Kamper asked if he worked with PG&E and if so would this be a conflict of interest. Hodgson said he did some work for PG&E but it would not be a conflict of interest. Total cost to do the work would be \$49,180. Shields recommended approval. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried, to approve the Consulting Contract with Consol and authorize execution of same.

Approve increasing the minimum amount required for capitalization to \$10,000. Stein said the current minimum is \$5,000, and with some purchases the amortization is less than \$500 per year. He said this will help reduce workload and recommends approval. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried, to increase the minimum amount required for capitalization to \$10,000.

Consider adopting Resolution No 09-01-F, South San Joaquin Irrigation District Investment Policy. Stein said we are required to adopt an investment policy annually. He said he and Emrick have reviewed the policy, made changes based on new laws and for clarification. Emrick said we follow the California Government Code, Section 53601 which had a few minor changes. Director Roos asked about the \$100,000 figure for FICA insurance on page 2, item 3, which he thought was \$250,000. Stein said it is \$250,000 but only until the end of 2009. Emrick said he will change the text to say amount covered by Federal deposit guarantee. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried, to approve Resolution 09-01-F with corrections indicated above.

**RESOLUTION NO. 09-01-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: 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.

- A. 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.
- B. 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 Cantella & Company, Inc., 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 **the maximum amount insured pursuant to federal law**, 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 the **maximum amount insured pursuant to federal law** 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 maximum 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 bankers' 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 bankers' 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 paragraphs (1) or (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.

(1) Shares of beneficial interest issued by diversified management

companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, 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 (k), inclusive, and subdivisions (m) to (o), inclusive, 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 (o), 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 (o), 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 13th day of January 2009.

Vice President Kamper asked for Managers Reports.

Utility Systems Director Battles reported the following:

Conergy has said they will be ready for the electrical inspection by the end of January. The last inspection we used Mike Leonard an inspector from Sacramento. He is available and we will use him again per PG&E requirements. Hopefully we will be ready by February 15, 2009. However, PG&E has not responded to requests to perform certain procedures. Ken Cooper of PG&E said he sent Candace Briskey, an email after a discussion with Mr. Shields prior to the Board meeting and Ms. Briskey indicated she would contact us today. Shields said the problem with not getting this done by February 15, 2009 is that we could lose the SGIP rebate of \$1,000,000 if it is not on line by that date.

General Manager Shields reported the following:

The Boys & Girls Club of Manteca is having a Crab Feed, January 17, 2009 at the MRSP hall. He said he has some tickets if any of the Directors are interested in going.

Took officials of SEWD and the City of Stockton on a tour of Goodwin Dam last Friday.

We received \$1,871,000 from the County last week and another \$294,000 this week.

Work on the Joint Supply Canal is completed. Work on the Main Supply Canal and should be finished in three to four weeks.

Vice President Kamper called for Directors reports:

Holbrook asked about the valve at the WTP that had to be dug out and replaced. Shields said it is done. When asked if a man hole had been put in for access in the future, Shields was not sure but said we would check.

Holbrook said Mark Madison of Stockton East told him they do not want to put a meter at the access point. He said he opened the lid and thinks one could be installed. Shields said Avila had a report on the type of meter that might be appropriate; he wants to show it to Felte and Knell before presenting it to the board. Director Roos commented that inaccurate measurement is not the District's problem.

Roos asked about the Farm Bureau dinner at Nile Garden. Shields said he would have Cheryl look into it and get back to the Board.

Roos said we should make sure we have signs on the MDC for no trespassing but specifically for quads and motorcycles.

Kamper said he wants to begin a "Moisture Monitoring Program" this summer. The program will help determine if we are over or under watering our crops. He asked Shields to put it on the next agenda.

Vice President Kamper called for closed session. District Counsel Emrick said we will discuss one item in closed session.

Conference with legal counsel, anticipated litigation, initiation of litigation, Gov. Code, S. 54956.9. One case.

Upon returning from closed session the following action was reported by Emrick:

Motion by Director Roos, seconded by Director Holbrook, to join the appeal on MID vs. Carlos et al and to share the cost of the representation by O'Laughlin & Paris with OID, MID and other appealing parties.

Emrick stated there was no other reportable action taken in closed session.

There being no further business to come before the Board it was moved by Director Kamper, seconded by Director Roos, and unanimously carried to adjourn to January 27, 2009 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary