

Manteca, California
January 23, 2001

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

Upon roll call the following members were noted present:

DIRECTORS: HAWORTH KAMPER ROOS SCHULZ

ABSENT: DEGROOT

Also present were Secretary/Manager Martin, Attorney Emrick, and Engineering Supervisor 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 as presented.

CONSENT CALENDAR

- A. SSJID Warrants of \$216,031.98.
- B. Regular Board Meeting Minutes of January 9, 2001

Director DeGroot arrived at 9:10 a.m.

Kamper noted that on the minutes, committee appointments, under Tri-Dam Project & Authority, change to read: Committee Members, DeGroot & Kamper, Alternate, Roos.

Motion by Roos, seconded by Haworth, to approve the Consent Calendar items with the corrections to the minutes as noted above.

PASSED AND ADOPTED this 23rd day of January 2001 by the following roll call vote:

Ayes:	DeGroot	Haworth	Kamper	Roos	Schulz
Noes:	None				

Consider conditional approval of the Montecito Estates Development in Ripon and authorize the signature of improvement plans, final map, and related documents pertaining to the project subject to compliance with specified requirements. Bologna told the Board that the development, located west of the Jack Tone Golf Course in Ripon, will effect a portion of Lateral "U". Approximately 1,400 feet of 48" cast-in-place pipe will have to be replaced with 48" RGRCP. Also, a 30" service line running south from Lateral "U" to service land south of the development, belonging to the U.S. Government will need to be replaced, we are requiring this be replaced with 36" RGRCP. Due to time constraints, the Developer is proposing to put in new boxes, hook up the present line, and wait until after the 2001 season to hook up the new line. In accordance with District policy, the District will reimburse \$25.00 per linear foot of the 48"

line. **Motion by Haworth, seconded by Roos, and unanimously carried, to conditionally approve the project, authorize execution of necessary documents when approved by the Engineering Department and approve the reimbursement of \$25.00 for the 48" RGRCP per District policy. No reimbursement for the 36" service line. Additionally, access to the boxes with no encroachments on our easement.**

Consider approving Resolution No. 01-01-F, South San Joaquin Irrigation District Investment Policy. Stein said that, per changes signed into law in 2000, on page 4, numbers 9 and 10 indicate 180 days and 270 days respectively. Those should be changed to 270 days under number 9 and 180 days under number 10. **Motion by Schulz, seconded by DeGroot, to adopt Resolution No. 01-01-F with changes as noted above.**

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

III. 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.

IV. 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.

V. Investment Guidelines and Restrictions:

- A. Investments directly managed by the District shall be consistent with this Policy and as provided for in the following additional guidelines and restrictions:
 - 1. The Treasurer will develop and maintain a cash flow analysis for the projection of needed funds. All funds not required for immediate use will

be invested in the Local Agency Investment Fund (LAIF)

2. 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.

B. Upon direction of the Finance Committee, the treasurer is to invest District funds in investments other than LAIF, and consistent with this Policy. With the approval of the Finance Committee, the treasurer may utilize a licensed investment advisor to invest the District's surplus funds for the benefit of the District. The following additional guidelines and restrictions are to be followed by the Treasurer:

1. All funds invested on behalf of the District will be managed to meet the guidelines stated in California Code 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.
4. Corporate obligations, including corporate debentures and medium term notes, must be rated "A" or its equivalent or better by a nationally recognized rating service and no more than 30% of the portfolio will be invested in this sector at any one time.
5. Monthly investment reports are to be provided to the District with at least the following information:
 - a. Description of investment
 - b. Date purchased
 - c. Maturity date
 - d. Amount of investment on a cost and on a current market basis
 - e. Coupon rate
 - f. Yield to Maturity at Purchase
 - g. A statement that all investments are in accordance with this Policy
6. The Treasurer may place District funds in Certificates of Deposit.
 - a. The Treasurer shall obtain a sampling of interest rates offered by the various Banking, Credit Union, and Savings and Loan Institutions within California, and provide a written record of the interest rates offered and provide copies to members of the Finance Committee. Said records will contain such additional information as required by the Finance Committee. Except as

provided herein, the Treasurer shall not poll an institution if the District has reached the limit for investment within same pursuant to District policy and current guidelines. An institution containing the maximum amount permitted by policy may be polled relative to its interest rates if the District monies which are coming due and subject to reinvestment are within the same. shall be as follows:

- b. The Treasurer shall select Banks, Credit Unions, and Savings and Loans:
 - (1) situated within the boundaries of the District providing interest rates are equal or better than those offered by institutions per Guideline b. 2.
 - (2) Within Banks, Credit Unions, and Saving and Loans situated within cities located within 100 miles of the borders of the District.
 - (3) Subject to Guidelines b.1., and b.2., in other California Institutions.
 - c. The Treasurer shall limit deposits to \$100,000 in any bank, credit union, or savings and loan with a net worth to net an asset ratio of less than “3%” during the most recently reported quarter.
 - d. The Treasurer shall limit deposits to \$300,000 in all Banks, Credit Unions, and Saving and Loan institutions having a net worth to net an asset ratio higher than “3.0%” and experiencing a positive earning record.
 - e. No more than 30% of the District’s surplus funds shall be invested in Certificates of Deposit.
 - f. The depository bank shall maintain sufficient securities for the deposits as set forth in California Government Code section 53652. Pursuant to Section 53653 of the Local Agency Deposit Security Law, the Treasurer may waive security for such funds as are insured pursuant to Federal Law; therefor the District’s Treasurer is hereby authorized to waive the security for up to \$100,000 with each institution.
7. The following limits are established relative to Government and Agency Issues.
- G.N.M.A. 50% of the total dollar amount permitted.
 - F.N.M.A. 20% of the total dollar amount permitted.
 - F.L.B. 50% of the total dollar amount permitted.
 - F.F.C.B. 50% of the total dollar amount permitted.

OTHERS 10% of the total dollar amount permitted.

On a case-by-case basis as authorized by the District's Finance Committee the total dollar amount permitted for investment in Government and Agency Issues shall not exceed 10% of the District's portfolio excluding the amount invested in LAIF.

The Treasurer may on a case-by-case basis as authorized by the District's Finance Committee, make investments with fluid maturity dates to permit managed G.N.M.A. Funds.

8. On a case-by-case basis as authorized by the Finance Committee the dollar value of Repurchase Agreements shall not exceed 10% of the District portfolio excluding the amount invested in the LAIF account. Further investments of this nature shall not exceed \$500,000 in one institution or placed through one brokerage firm. During emergency situations this amount may be temporarily exceeded for up to seven days by the Treasurer.
 9. Purchases of Bankers Acceptances may not exceed 180 days maturity or 40% of the Districts surplus money. Further, no more than 30% of the District's surplus funds shall be invested in Bankers Acceptances of any Commercial Bank.
 10. Purchases of prime quality commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Further, purchases of commercial paper may not exceed 15% of the District's surplus money being invested.
 11. The portfolio performance results will be measured on a minimum quarterly basis by the portfolio manager and the results thereof given to the Treasurer. Investment performance will 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.
- C. Pursuant to these guidelines 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.

VI. 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 23rd day of January 2001 by the following roll call vote:

Ayes:	DeGroot	Haworth	Kamper	Roos	Schulz
Noes:	None				

Consider purchase of budgeted vehicles as follows: Four half ton pickups; three four wheel drive half ton pickups; One 1 ton cab and chassis; and Malibu. Martin said we request proposals from four dealers, received from two, Steve's Chevrolet and Manteca Auto Plaza. He said on all the proposals Steve's Chevrolet had the low bid. He recommends purchasing the vehicles as requested from Steve's. Director Haworth asked why a car for the office, why not a pickup. Martin said the ladies in the office are the primary users and requested a sedan rather than a pickup. **Motion by Schulz, seconded by Roos, to purchase the vehicles as listed from Steve's Chevrolet. Motion carried, 4 Ayes, 1 No, with Director Haworth voting No.**

Consider approving contract with Don Pedro Pumps to do preventative maintenance on District pumps. Martin said the cost is \$200 per pump, he said we have 22 pumps we feel need the maintenance, total cost of \$4,400. **Motion by Roos, seconded by Haworth, and unanimously carried, to authorize execution of contract with Don Pedro Pumps for preventative maintenance as stated above.**

Mr. Kris Kristensen of Shannon & Associates addressed the Board relative to recruitment of a General Manager for the District. He asked that he will be able to meet individually with each Director for approximately ½ hour. The members agreed to meet on Wednesday, January 23rd between 8:30 a.m and 11:00 a.m. He stated that he will present draft brochures and ad text to the Board at the February 13th Board Meeting. No action was taken.

Consider approving Resolution No. 2001-02-F, Update Signature Cards with Guaranty Federal Bank. **Motion by Haworth, seconded by DeGroot, to adopt Resolution No. 2001-02-F as follows:**

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 2001-02-F
UPDATE SIGNATURE CARDS WITH GUARANTY FEDERAL BANK**

WHEREAS, the SOUTH SAN JOAQUIN IRRIGATION DISTRICT (“District”) must update its signature cards with its financial institutions upon change of officers; and

WHEREAS, the officers changed on January 9, 2001.

RESOLVED, that one of the following named officers

Dave Kamper, the President
Robert Schulz, the Vice-President

and Staff,

Richard Martin, General Manager/Secretary
John Stein, Assistant General Manager/Assistant Secretary
Robin Giuntoli, Finance Supervisor

be, and they are hereby, any one Director and any one staff authorized to co-sign checks, drafts, or other orders for and on behalf of the District for such funds of said District deposited in the Bank and designated as a Business Checking Account.

RESOLVED FURTHER, that Staff,

Richard Martin, General Manager/Secretary
John Stein, Assistant General Manager/Assistant Secretary
Robin Giuntoli, Finance Supervisor

be and they are hereby any one individual, authorized to sign PAYROLL checks, drafts, direct deposit wires or other orders for and on behalf of the District for such funds of said District deposited in the Bank and designated as a Business Checking Account.

PASSED AND ADOPTED this 23rd day of January 2001 by the following roll call vote:

Ayes:	DeGroot	Haworth	Kamper	Roos	Schulz
Noes:	None				

Consider approving Resolution No. 2001-03-Q, Disposal of District Property No longer Necessary for District Purposes. **Motion by Haworth, seconded by DeGroot, to adopt Resolution No. 2001-03-Q as follows:**

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
DISPOSAL OF EQUIPMENT
RESOLUTION NO. 2001-03-Q**

WHEREAS, the District may dispose of any equipment or property of the District, which it finds to be no longer necessary for District purposes, and:

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District finds that the District replaced the employee lockers and declares the used lockers as surplus.

THEREFORE BE IT RESOLVED AND ORDERED that District staff is authorized to dispose of said property.

PASSED AND ADOPTED this 23rd day of January 2001 by the following roll call vote:

Ayes:	DeGroot	Haworth	Kamper	Roos	Schulz
Noes:	None				

Consider approving Resolution 2001-04-F, Policy Governing Collection of Fees, charges, and Penalties. **Motion by Roos, seconded by Haworth, to adopt Resolution No. 2001-04-F.**

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

**POLICY GOVERNING COLLECTION OF FEES, CHARGES, AND
PENALTIES
RESOLUTION NO. 2001-04-F**

WHEREAS, the South San Joaquin Irrigation District desires to adopt certain charges and penalties relative to the administration and processing of certain provisions of the California Water Code (hereinafter identified by "Section" only), and

WHEREAS, Section 22280 provides the authority for a district to fix and collect charges in lieu in whole or in part of levying of assessments, and

WHEREAS, Section 22283 provides that a district may prescribe reasonable rules to carry out the provisions of Article 3 of Chapter 2 of Part 5 of Division 11 of the Water Code, and

WHEREAS, Section 25655 provides that a district may in lieu either in whole or in part of levying the annual assessment for district purposes use any revenue derived prior to or during the next ensuing calendar year from charges which the district may fix and collect pursuant to Section 22280, and

WHEREAS, Section 22284 provides that when any charges fixed for services under Section 22280 become delinquent, the charges may be collected in accordance with procedures specified in Water Code Section 25806, and

WHEREAS, Section 25806 provides that in case any charge for water and other services or either of them remain unpaid, the amount of the unpaid charges may at the discretion of the district be added to and become a part of the annual assessment levied upon the land upon which the water for which the charges are unpaid was used and upon the real property subject to the charges for any other district services and may constitute a lien on that real property or be secured at any time by filing for record in the office of the county recorder a certificate as described in Section 25806, and when the charges become delinquent, they may be collected in the manner provided for the collection of delinquent assessments in Chapter 5 (commencing with Section 26075) and Chapter 6 (commencing with Section 26225) of Part 10 of Division 11 of the Water Code, and

WHEREAS, Section 26077 provides that the collector may collect on delinquent assessments for the use of the district, penalties amounting to five percent (5%) when assessments are not payable in installments and when payable in installments the penalties may be ten percent (10%) on the first installment and five percent (5%) on the second, and

WHEREAS, Section 26078 provides that upon the assessment, if not payable in installments, or the second installment of it, if payable in installments, becoming delinquent, the collector may collect, in addition to the assessments due on the delinquent list and the penalties added, costs in the sum of five dollars (\$5) on each parcel of land separately assessed, and may collect costs of publication of the list of delinquencies and notice as required by Section 26105, and

WHEREAS, Sections 26102-26108 provide details relating to the publication of a delinquent list and specifically Section 26107 provides for the Board of Directors to designate which newspapers of general circulation within the district it elects for the delinquent list to be published, and

WHEREAS, Sections 26125-26132 provide details relating to the sale of property when same is delinquent in amounts owed to a district and specifically Section 26128 provides that on the day fixed for the sale in the published notice or on a subsequent day to which the collector may have postponed it, the collector shall sell to the district the whole amount of each parcel of property separately assessed upon which the assessments remain unpaid, and

WHEREAS, Section 26134 provides that the district as purchaser may assign any certificates of sale for a consideration of not less than the amount of the assessment, penalties, and costs, and

WHEREAS, Section 26225 provides that property sold for delinquent assessments may be redeemed within five years from the date of sale, or thereafter before a collector's deed of the property has been delivered; and provides that redemption before a collector's deed of the property has been delivered may be made by payment to the collector of the amount for which the property was sold plus a penalty equal to the annual adjusted rate established by the

Franchise Tax Board, and

WHEREAS, Section 26225 also provides that should redemption occur after a collector's deed has been delivered it may be made by payment of the total of the following amounts: i)

The total of the amount of the sale shown on each certificate of sale outstanding; ii) A penalty on each certificate of sale outstanding equal to the adjusted annual rate established by the Franchise Tax Board as provided in Section 19521 of the Revenue and Taxation Code, divided by 12 per month from the date of sale until redemption; iii) An amount for each year of escaped assessment determined as follows: the assessor shall establish the assessment value for the land for each year of the escaped assessment and the collector shall apply the rate fixed in that year to determine the amount of the escaped assessment; iv) The costs incurred in connection with recording the Certificate of Sale and the Certificate of Redemption; v) The costs of publication of notice incurred in connection with the delinquency; and vi) The costs incurred in connection with the preparation for a proposed sale of property, except that a district board may waive some or all of these costs if it determines that the circumstances support the waiver; and

WHEREAS, Sections 26226 & 26229 provide administration of certificates of redemption and the recording of same with the county recorder and for the collection of the recording fee provided for in Section 27361 of the Government Code, and

WHEREAS , Section 25809 provides that a district may make an additional reasonable charge for processing or reprocessing an invalid check or other instrument used to pay an assessment or service charge owed to the district. The reasonable charge may be for cost of the processing or reprocessing of the valid check or instrument plus the amount provided by Civil Code 1719. If the charge for processing or reprocessing becomes delinquent, the charge may become a lien against the land on which the assessment was made or to which the service was rendered, as provided in Section 25806, and

WHEREAS, Section 25930 also provides that a reasonable additional charge may be made for processing or reprocessing an invalid check or other invalid instrument as provided in Section 25809 on "any other charge owed the district", and

WHEREAS, Section 25807 provides that if the annual district assessment is payable in two installments the unpaid charges may be added to and become a part of the first installment, and

WHEREAS, Section 25929 provides that the collector shall accept payment of current year assessments even though prior year delinquencies on real property may exist, and

WHEREAS, Section 25950 provides that the Board may pass a resolution providing that thereafter annual assessments shall be payable in two installments, and

WHEREAS, Section 25951 provides that the two installments may be equal unless the resolution specifies different percentages to be paid in each installment, in which case the

installments shall be payable as specified in the resolution, and

WHEREAS, Section 25952 provides that the resolution may be adopted at or prior to the time of the levy of any annual assessment it is to affect, and

WHEREAS, Section 22282 provides that whenever any charge for any service provided for by this division has been fixed, they may be made payable in advance, and

NOW THEREFORE BE IT RESOLVED: i) that the South San Joaquin Irrigation District desires to institute the permissive charges for services rendered and for inconveniences

experienced and as provided within the above noted Sections, all underlined "may" words shall hereafter be interpreted as being "shall", ii) that no "certificate of sale" shall be assigned without

the prior approval of the Board of Directors, iii) that pursuant to Section 26107 the Board of Directors designates that "notice and delinquent lists" be published in a local newspaper of general circulation within the South San Joaquin Irrigation District's bounds, provided however, that for the current year it would be published in a Manteca newspaper, iv) that this resolution be examined and amended, if necessary, annually by the South San Joaquin Irrigation District's Finance Committee and, as provided by Section 25952, be readopted to reflect changes in the

law and the desires of the Board of Directors, and v) staff of the South San Joaquin Irrigation District shall do whatever is necessary to assure that the intent of this resolution is actively pursued.

BE IT FURTHER RESOLVED: i) that the South San Joaquin Irrigation District (DISTRICT) shall, as provided by Section 22282.1, refuse service to any land having outstanding charges for services already rendered and that hereafter DISTRICT shall deny water service to any land having outstanding amounts owed DISTRICT when such amounts are outstanding in excess of ten (10) working days; ii) that the DISTRICT shall, as provided by Section 22256, refuse to furnish water to any land to which it holds title by virtue of a collector's deed under which the right of redemption has not been terminated or to any or all land on which the DISTRICT has an outstanding unredeemed certificate of sale for the nonpayment of a DISTRICT assessment or duly authorized charge; and iii) that beginning on June 1 or thereabouts of each year the DISTRICT shall, publish a "second installment due notice" within each of the three local newspapers in accordance with the provisions of Government Code Section 6066.

PASSED AND ADOPTED this 23th day of January 2001, by the following roll call vote:

Ayes: De Groot Haworth Kamper Roos Schulz
Noes: None

Manager's reports:

Martin said we purchased 3 new filing cabinets for the old engineering vault to store records

transferred from the main vault.

Cal Water will be doing one test well, and preparing an "E" log for the two wells planned at the Van Groningen Reservoir, cost is \$1,800.

Received the new "C" Hook yesterday.

Received a notice from PG&E stating they will not pay us for power at Woodward and Frankenhiember mini-hydros, but we are obliged to continue producing and delivering power to them. He noted we will be discussing this at the Tri-Dam meeting since Tri-Dam received the same notice from PG&E.

Martin read the following Structure Abandonments and Encroachment Agreements into the record:

STRUCTURE ABANDONMENTS

1. Brasil & Sons Dairy, Inc. APN 205-110-04, to abandon one 36" valve installation located on lateral B, Station 155.
2. Bert Ballatore, APN 245-130-08, to abandon 2-take out gate installations located on lateral Q, station 89.

ENCROACHMENT AGREEMENTS

1. Wine Group Ltd. Ptp. APN 240-060-15 & 18, to encroach upon Drain 3 with a paved driveway and utilities.
2. Frank & Nelia Tarango, APN 208-130-13 & 14, to encroach upon Drain 3 with a paved driveway and utilities.

Directors reports:

Director Haworth said he thought that the Board decided the Directors would not be put on the payroll and have taxes taken out. After some discussion Director Haworth made the following motion. **Motion to put the withholding of taxes on the agenda as an emergency item since the checks will be issued prior to the next scheduled Board Meeting.**

Motion died due to lack of a second.

Director Schulz asked that when the new District Engineer comes on Board one of his first duties should be to get going on the Valley Home Siphon. Martin said he would make sure this is a priority along with the Burt Plan.

President Kamper called for closed session relative to litigation matters, personnel matters, and labor update. Attorney Emrick said we will be discussing items a) through e) in closed session.

- a) Conference with legal counsel, anticipated litigation, institution of litigation. Gov. Code, S. 54956.9. Three cases.

- b) Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. Two Cases.
- c) Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9 (a). Two Cases Stanislaus County vis SSJID & Sierra Club et al vs. SSJID.
- d) Conference with labor negotiator, John Stein, relative to labor contract with Management Unit. Gov. Code, S. 54957.6.
- e) Conference with labor negotiator, Richard Martin, relative to Labor Contract with IBEW. Gov. Code, S. 54957.6

Upon returning from closed session, Attorney Emrick reported there was no reportable action taken in closed session.

Motion by DeGroot, seconded by Schulz, and unanimously carried, to adjourn to February 13, 2001 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary

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