

Manteca, California
January 25, 2000

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: DEGROOT HAWORTH KAMPER ROOS SCHULZ

Also present were Secretary/Manager Martin, Engineering Department Manager Wahlgren, and Attorney Emrick.

President Roos 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 \$243,996.95
- B. Regular Board Meeting Minutes of January 11, 2000. It was noted that there was a typographical error at the bottom of page 7, the Ayes should have read as follows: Kamper/Roos/Schulz.

Motion by Haworth, seconded by Kamper, to approve the Consent Calendar items as amended.

PASSED AND ADOPTED this 25th day of January 2000 by the following roll call vote:

Ayes:	DeGroot	Haworth	Kamper	Roos	Schulz
Noes:	None				

Consider approving Resolution No. 00-03-F, "South San Joaquin Irrigation District Investment Policy." Stein said the District is required to annually adopt an investment policy. He said that this is somewhat different, in that it removes the broker designation and it includes the guidelines which were separate from the policy in 1999 . **Motion by Schulz, seconded by Kamper, to adopt Resolution No 00-03-F.**

RESOLUTION NO. 01-03-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 270 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 180 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 by the board of directors of the SOUTH SAN JOAQUIN IRRIGATION DISTRICT this 25th day of January 2000 by the following vote:

AYES: DeGroot Haworth Kamper Roos Schulz
NOES: None

Consider approving Resolution No. 00-04-F, "Hiring IBIS Securities, L.L.C., as Senior Managing Underwriter." Stein said this resolution is strictly as a result of changing names from California Capital Finance to IBIS Securities, L.L.C. **Motion by Haworth, seconded by Schulz, to adopt Resolution No. 00-04F.**

RESOLUTION NO. 00-04-F
RESOLUTION OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT
HIRING IBIS SECURITIES, L.L.C. AS SENIOR MANAGING UNDERWRITER

WHEREAS, pursuant to Resolution No. 98-01-F the South San Joaquin Irrigation District (the "District") had continued to engage California Capital Finance, through its agent Ken Martin, to serve as the District's underwrites in connection with development of the proposed south county water treatment plant (the "Project");

WHEREAS, pursuant to Resolution No. 99-13-F the District confirmed Ken Martin of California Capital Finance as underwriter to the District project to improve the District's irrigation system and to acquire certain electrical facilities;

WHEREAS, Ken Martin is now the President of and employed by IBIS Securities, L.L.C.;

NOW THEREFORE BE IT RESOLVED, that IBIS Securities, L.L.C. is hereby confirmed as senior managing underwriter for future phases of the financing for the Project, subject to the negotiation of an agreement on fees satisfactory to the District with respect to each phase of financing of the Project.

BE IT FURTHER RESOLVED, that if Ken Martin discontinues his relationship with IBIS Securities, L.L.C., the engagement of such firm shall terminate automatically and the District shall have the right, but not obligation, to engage another firm or other firms to replace such firm;

BE IT FURTHER RESOLVED, that nothing herein shall constitute a contract between the District and IBIS Securities, L.L.C., or obligate the District to compensate IBIS Securities L.L.C. in any manner until such time as a financing with respect to a phase of the Project is complete or except as may otherwise be determined by the Board of Directors of the District. The District

hereby reserves
the right to terminate such firm or to engage other firms to assist the District with investment

banking services if, in the sole discretion of the District, such termination or engagement would be advantageous to the District.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

PASSED AND ADOPTED this 25th day of January 2000 by the following roll call vote:

Ayes:	DeGroot	Haworth	Kamper	Roos	Schulz
Noes:	None				

Discussion regarding replacement of the “Q” Line north of Louise Avenue. Martin said the President and Chief Engineer of the plastic pipe supplier, told us their pipe would not work for irrigation, but only for drainage, and that the burning that takes place on our lines would melt the plastic pipe causing it to collapse. Due to these facts it was decided to go with RGRCP. DeGroot asked why this was not more thoroughly investigated initially. Martin said we looked at their specs and the conditions that we would normally run the line under, were within the specs for the plastic pipe. However, after talking to the representatives of the plastic pipe company we felt that RGRCP was the better choice. California Concrete Pipe, who gave us the original bid on this could not deliver the pipe for six weeks so we got quotes from other suppliers. A company in Sacramento had 2,000 feet on hand and said they could deliver the remainder within two weeks. The Sacramento company’s cost was \$54.00 vs \$51.65 from California Concrete in Stockton. In order to make sure we finished the project before the start of the regular irrigation season, Martin told the Board that the pipe was ordered from the Sacramento Company. The additional cost is \$14,100. **Motion by DeGroot, seconded by Kamper, and unanimously carried, to approve the General Manager’s emergency action to order RGRCP at a price \$14,100 over the original bid.**

Consider proposal from Irrigation Training and Research Center regarding preliminary engineering, project development and construction cost estimates relating to the western portion of the District. Wahlgren said the proposal for the west end is \$21,000, plus \$4,000 for the “Ta” and X line express lateral upgrade. He said Dr. Burt’s estimate for the cost at the Van Groningen Reservoir is \$9,000, however, Dr. Burt wants to try to get some funding from the state to do the Van Groningen Reservoir study. At this time, Dr. Burt wants to wait and see what strings are attached before asking for \$9,000. Wahlgren said the money from the state goes to ITRC not the District. **Motion by DeGroot, seconded by Schulz, and unanimously carried, to approve \$25,000 and should the state funds not be acceptable, the Board authorizes staff to proceed with the Van Groningen Reservoir study at a cost not to exceed \$9,000.**

Consider approval of contract for Real Property Services of Tony Tschirky. Martin said the Operating Committee recommends that the Board authorize a contract with Mr. Tschirky. **Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve the**

contract and authorize execution of same at a cost not to exceed \$5,000.

Discussion concerning the next phase of the South County Water Supply Project. Martin reported the operating committee has elected to proceed with the next phase which includes acquisition of

right of ways, treatment plant site, final design and permitting. He noted the Operating Committee also opted to proceed with the financing of the next stage. No action was taken.

President Roos called for Managers' reports:

Martin reported he has been appointed to a selection committee with the County Advisory Water Commission to select a firm to study a ground water/surface water plan for San Joaquin County.

Stein reported a landowner had planted trees over our pipeline and had subsequently damaged the line causing a flood. The Board said the landowner should be required to remove the trees or we will remove them and bill him.

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

Structure Permits:

- Salvador Crivello, APN 208-140-04, to install a 36" valve, structure, pipeline and appurtenances on Lateral "Re" Station 74.
- John Van Till APN 243-160-18, to install sump/pump on Lateral "We" station 20.
- Bob Winters, APN 243-160-27, to install sump/pump on Lateral "W" 183dd, Station 23 + 42.
- Tom Christensen APN 257-260-30 to install sump/pump on Lateral Vg" station 19+00

Encroachment Agreement:

Garrett & Rosanna Bechler, APN 202-300-02, to encroach District Lateral "T" easement with a swimming pool.

Directors' reports:

Roos asked if we plan to install pumps this year. Martin said we do, and the agreement we just signed with Dr. Burt at ITRC will look at this and help determine the best location to place pumps.

President Roos called for closed session relative to litigation matters, personnel matters, and labor update: Attorney Emrick said the Board will discuss items a. and b.

- a. Conference with real property negotiator, PG&E Property, price and items of payment under negotiation. Gov. Code, S. 54956.8.

- b. Conference with legal counsel, appointment and employment of public employee/general counsel. Gov. Code, S. 54957.

Upon returning from close session, it was announced no reportable action was taken in closed session.

There being no further action to come before the Board it was moved by Haworth, seconded by Schulz, and unanimously carried, to adjourn to February 8, 2000 at 9:00 a.m.

Attest:

John Stein, Assistant Secretary

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