

Manteca, California
January 25, 2010

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

Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK KUIL KAMPER SCHULZ ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, Engineering Department Manager Bologna and Operations/Water Supervisor Catanzarite.

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

CONSENT CALENDAR

- A. Warrants of \$1,915,155.41.
- B. Regular Board Meeting Minutes of January 12, 2010.

Director Holbrook noted a correction that needed to be made on the January 12, 2010 minutes. In the paragraph concerning "discussion and possible action relative to increasing the minimum acreage subject to District's Irrigation Service Abandonment Agreement" the word "acres" should read "parcels" in reference to the number of parcels 10 acres or less that are currently being charged a recharge fee.

Director Roos also noted that a correction needed to be made in his directors report concerning putting a valve on the City of Manteca's Line, the minutes should read "down Austin Road," not Louise Avenue.

Motion by Director Holbrook and seconded by Director Roos to approve the consent calendar items with the above note changes to the minutes.

PASSED AND ADOPTED this 25th day of January 2010 by the following roll call vote:

Ayes:	Holbrook,	Kamper	Schulz	Roos	Kuil
Noes:	None				

President Kamper called for closed session to discuss Item 9A because General Counsel Emrick had to leave the meeting early. Upon returning from closed session, Kamper reported there was no action required to be disclosed.

President Kamper stated for the record that Items 4 and 5 were being deleted due to the fact that they were approved budget items within the General Manager's approval authority and did not require Board action.

Item 1: proposed piping of Lateral "R" north of Louise. GM Shields asked Joe Catanzarite to address the Board. Catanzarite told the Board that the stretch of Lateral "R" being discussed is in bad repair and that the canal has had several breaks in recent years. He told the Board that because several adjacent properties are not currently in permanent crops, the timing for construction would be good.

Kamper asked about the original cost estimate. Bologna replied that the original estimate was based on replacing 2,300 feet at a cost of \$454,349 which included a contingency. After engineering work was completed, it was determined that the true length of the pipeline project is 2,528 feet. Bologna told the Board we solicited bids from four local contractors. Clyde Wheeler came in with a low bid of 437,171 plus 15% contingency to cover unforeseen costs, for a total cost not to exceed \$502,747. Director Kamper asked if timing will be a problem. Bologna said that Clyde Wheeler has stated that he can have

the work done by the start of water season. Sam also told the Board that the pipe manufacturer told him the pipe will be completed and delivered by February 3.

Motion by Kuil seconded by Holbrook to approve the bid by Clyde Wheeler Pipeline, Inc. to pipe the portion of Lateral "R" canal lying north of Louise Avenue at the net cost (including 15% contingency) of \$502,747. The motion was unanimously approved.

Item 2: Bologna told the Board that the control box located at Steinegul Ave. on Lateral "B-Ba" is in disrepair. The walls of the box have deteriorated to the point that they are collapsing. He told the Board it was the recommendation of both the Engineering Department and the Water Department that the box be replaced rather than repaired. Bologna told the Board that when replacing the box they would be adding a chamber in anticipation of a new drain line connection to help divert water from the Campbell Drain. Bids for the project were opened on January 21, 2010. Six contractors bid on the project. Rolfe Construction was the low bidder at \$99,760.00 (plus 15% contingency of \$14,964.00). Motion by Director Roos, seconded by Director Schulz to accept bid from Rolfe Construction to replace the Lateral "B-Ba" Control Box. The motion was unanimously approved

Item 3: PG&E Gas Line Replacement. Shields told the Board that he recommended that the issue be tabled until CEQA compliance issues are addressed. Holbrook moved that the issue be tabled until a review has been made by District Legal Counsel. Kuil seconded the motion, followed by a unanimous vote from the Board.

Item 6: Authorize Aspen Environmental to perform additional environmental review for District's sphere of influence/municipal service review on a time and materials basis with an estimated cost of \$194,600. Shields asked for authority to authorize additional environmental review by Aspen Environmental. Motion by Holbrook and seconded by Schulz to authorize Aspen Environmental to perform additional environmental review for the District's sphere of influence/municipal service review process and the application to LAFCo to provide retail electric service at an estimated cost of \$194,600. Motion carried unanimously.

Item 7: Shields told the Board that Item 7 would be addressed after closed session.

Kamper called for Managers Reports:

Bill Hubkey reported

- Heavy rains are still having a negative impact on out sludge drying
- Stanislaus County is going through the CEQA process to deposit food sludge on the water shed just east of the bridge at the Woodward Reservoir. Staff attended a meeting in Oakdale to voice our concern over the issue. Plant and Customer City staff will be meeting with Stanislaus County to discuss this issue soon.
- The rains have stopped the POP Project on outside work, hopefully work will begin soon.
- The Plant will be shutting down today for several hours to install a new meter on the recycle basin. The new meter should provide much greater accuracy.
- The Plant had multiple "mini" power failures. The emergency generator did not run but we had several plc failures which required equipment to be shut off and restarted.

Shields reported

- Construction on the Division 9 Project is set to begin in August of 2010. Mike Persak, a representative of Stantec was in the audience. He confirmed that Stantec was working on the communication aspect of the project with NDI. Bologna told the Board that with the land acquisition agreements signed, Stantec will now begin to survey the ponds. A board member asked about grant money. Bologna confirmed that we will be applying for grant money. Shields added that Rep. Jerry McNerney's office has sent us an Appropriation Request Form for Fiscal Year 2011. He said our project seems to fit the criteria for the matching funds program. Director Schulz inquired as to when the Division 9 Project would be up and running. Shields replied that the goal is Spring 2011. Director Kamper

asked if construction will be disruptive to the Division 9 landowners during harvest. Sam said we will keep in close communication with landowners throughout the process and try to keep disruption to a minimum.

- Reported that Steven Hall, former General Manager of ACWA passed away January 19th and services are scheduled for Friday, January 29th.
- Reported that the State Water Resources Control Board is now publishing a newsletter called the “California Water Rights Newsletter”. He handed out a copy of the newsletter to the Board.
- The Water Education Foundation is sponsoring an Executive Briefing, titled “Moving Forward”, March 25-26 in Sacramento. Discussion topics will include “The Delta, the Big Picture” and “Groundwater Policy, Managing the Resource”. Anyone interested in attending should contact Cheryl.
- Reported that we have received 35 applications for the Finance and Administration Manager position. Interviews will be scheduled for the top four applicants. Once the final applicants have been selected, the Personnel Committee will be asked to meet and make a recommendation.
- Handed out Tri-Dam Operations Water Report dated January 22, 2010. Numbers are up considerably for Strawberry, Donnell, Beardsley and Sand Bar in comparison with last years numbers at the same time.
- In regards to the question that Director Kamper had at the last meeting concerning the CIT investment. His question was whether the investment made as a result of the CIT bankruptcy settlement was in violation of our Investment Policy. Shields handed out an e-mail from General Counsel Emrick with the following answer. “The District’s investment policy [states] “The legal, final maturity of any single security within the portfolio will not exceed 5 years at purchase.” With this language, the term of the CIT investment that was issued in replacement of the District’s investment that matured in December, does not cause the investment to violate California law or the Investment Policy.
- The final issue Shields addressed involved the water we had available to transfer to SLDMWA in 2009. Ron Milligan, Operations Manager of the Central Valley USBR asserts that OID/SSJID did not have the entire 45,000 AF of water available to transfer to SLDMWA in 2009. OID and SSJID disagree with this analysis and has sent Mr. Milligan a letter outlining our concerns.

Kamper asked for Directors comments:

Director Holbrook stated the following:

- Northern California has considerably less representation in ACWA than Southern California. He stated that as many as 16 agencies in Northern California are contemplating pulling out of ACWA unless a super majority is created.
- According to Terry Dermody, County Counsel, the bond issue is a bad deal.

Director Kuil asked about the status of domestic drinking water at the District offices. Shields said that the contractor has put in a tap and discussions are in the process with Mark Houghton, City of Manteca Engineer concerning a meter. We are also working on an out of service agreement with the City. There is no set date for City water being available at the District offices.

Director Roos told the Board about an upcoming conference by USCID entitled Upgrading Technology and Infrastructure in Finance-Challenged Economy. The Conference is March 23-26 in Sacramento. Roos also reported that the weather reports indicate that it will be a wet spring.

After a brief break, President Kamper called for closed session. General Manager Shields stated the Board will discuss the following items in closed session.

- A. Public Employment Performance Evaluation. Gov. Code S. 54957.
General Manager
Utility Systems Director

Upon returning from closed session, it was reported that no reportable action was taken in closed session. The following action was then taken:

Consider compensation adjustment for General Manager. The Board proposed a one time payment of \$10,000 in recognition of the amount of time he dedicates to community service. Motion was made by Kuil and seconded by Holbrook. Motion was unanimously passed.

Consider compensation adjustment for Utility Systems Director. The Board proposed a 4% increase to Utility Systems Directors salary effective the next pay period. Motion by Kuil and seconded by Holbrook. Motion passed 4 – 1, with Roos opposing.

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 February 9, 2010 at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary