

Manteca, California
February 12, 2008

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 KUIL SCHULZ ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, District Engineer Gilton, Engineering Department Supervisor Bologna, Water Treatment Plant Manager Hubkey, Utility Systems Director, Don Battles and Communications Coordinator Saylor.

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

CONSENT CALENDAR

- A. Consider approving SSJID Warrants of \$751,090.41 and Payrolls of \$249,412.13.
- B. Consider approving the Regular Board Meeting Minutes of January 22, 2008.
- C. Consider Adopting Resolution No 08-02-V, Authorizing the sale of property no longer necessary for District purposes.

Director Holbrook asked whether the word "Overaa" on Page 1, the third paragraph from the bottom of the page, was a misprint. Stein said Overaa, Inc. was the Corporate name of the contractor that built the Water Treatment Plant.

Also, on Page 2, the second paragraph from the bottom, the result of the vote was left out. The vote was "Carried Unanimously". Stein said he would correct the item.

Motion by Director Roos, seconded by Director Holbrook, to adopt the Consent Calendar as amended.

RESOLUTION NO. 08-02-V AUTHORIZING SALE OF PROPERTY NO LONGER NECESSARY FOR DISTRICT PURPOSES

WHEREAS, the District may sell for valuable consideration, any property of the District, which it finds to be no longer necessary for District purposes;

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District, finds the following pickup and 1 ton flat bed with spray unit for sale listed below:

<u>DISTRICT I.D. NO.</u>	<u>SERIAL NUMBER</u>
202-96	1GBJK34F4TE268396

Are no longer necessary for District purposes and that it is in the best interest of the District to sell said property; and

<u>DISTRICT I. D. NO.</u>	<u>FAIR MARKET VALUE</u>
202-96	\$12,000.00

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Assistant General Manager of the District is authorized to display said property for sale for a period of ten days, thereafter, directed to sell said property to whoever presents the highest cash offer, provided that the offer is equal to or exceeds the following:

<u>DISTRICT I.D. NO.</u>	<u>MINIMUM PRICE</u>
202-96	\$10,500.00

BE IT FURTHER RESOLVED AND ORDERED that the Assistant General Manager is authorized and directed to take all necessary steps and execute all documents necessary to transfer title to said property.

PASSED AND ADOPTED this 12th day of February 2008 by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Schulz	Roos
Noes:	None				

Consider request by Raul and Lucille Del Toro to acquire property interests of the District in conjunction with a proposed home addition project located in Manteca. Bologna told the Board the owners want to add to the existing home. Drain 4 runs through their property and is owned by the District in "Fee". The owners are already encroaching on the District and they cannot get a permit to do an addition without our approval. The owner is asking to purchase a portion of the District's property, 4,080 square feet, and the value of this amount is \$52,836. The owner is asking that we sell it to them for 25% of the value, which is \$13,209. To accomplish the sale, owner will need to do a lot line adjustment with the neighbor so that 15 feet of the northerly 30 feet can be conveyed to the neighbor. The neighbor would then convey an additional 15 feet to the District. Bologna advised the Board that the 25% figure is used in a situation like this where the fee interest has no ready market, the pipe will be replaced and the District's interest will be exchanged for an easement that has equal utility to the fee. The policy fits this situation as this is a drain line and the City will assume responsibility for this line at some point. Bologna asked that the Board consider conceptual approval of owners request subject to the following conditions:

1. District shall reserve a 15 foot wide easement from the sale and shall receive a 15 foot wide dedicated easement from the neighbor to the north in conjunction with a lot line adjustment. The easement will provide standard restrictions as specified in our standard grant of easement form.
2. The owner of both properties shall sign an Encroachment Agreement to cover all proposed and existing encroachments that will be located within the easement.
3. The owner shall obtain written verification from the City of Manteca and adjacent landowner indicating that they are in favor of the transaction and that they will cooperate with all parties concerned in the processing of the request.
4. Submit improvement plans for review and approval which identify any existing or proposed encroachments to be located within the easement.
5. Property transfer shall be subject to all other terms and conditions as specified in the District's Property Interest policy, including but not limited to an obligation by owner to pay all costs associated with the transfer.
6. Offer to transfer shall be valid for 12 months from date of conceptual approval, after which the Board will re-evaluate property values and adjust the offered sale price accordingly.
7. District to make the following findings:
 - a) In accordance with the terms and conditions outlined in the District's property interest policy, the conveyance of the District property will not hinder District operations.
 - b) The retained easement interest is adequate for all reasonable District purposes.
 - c) The payment of \$13,209.00, execution of required documents, and payment of all costs relative to transfer is valuable and adequate consideration for the conveyance.
 - d) It is in the best interest of the District to transfer property exchange for the new easement and the established consideration.
 - e) The property to be conveyed is not "surplus land" within the Government Code Section 54221 (b) since the parcel is not capable of park and recreational development.
 - f) The proposed conveyance is categorically exempt under the Environmental Quality Act as a class 12 project pursuant to 14 Cal. Adm. Code sections 15112 since the surplus government property does not have significant values for wildlife habitat or environmental purposes and the property is of such size and shape that is incapable of independent development or use.

Bologna said if the Board conceptually approves the sale, the matter will be brought back to the Board for adoption of a resolution upon receipt of consent letters by parties involved, signature

of required documents, receipt of money, and compliance with all other terms of the District's property policy. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried to conceptually approve as recommended. Mrs. Del Toro thanked the Board.

Discuss various options and deal points concerning the proposed parcel map and authorize staff to approve the parcel map subject to signature of a Deferred Agreement that spells out future obligations for the owner, Chinchiole & Son. Several options were discussed by the Board and Mr. Chinchiole. Ultimately the Board asked that staff pursue providing service to the one parcel that would not receive District water through an easement from Mr. Adrian's property. No action was taken.

Consider approving purchase of pipe locating equipment. Gilton said we need a better way to locate our potable and non-potable lines. We are requiring tracing wire in new subdivisions, and we need two pieces of equipment. Cost is \$24,000. Shields asked that we table this item until the next meeting, February 26, 2008. No action was taken.

Consider authorizing staff to purchase four Rubicon Gates, and award a contract to Cunningham & Sons, for building Rubicon Gate Structures (SSJ-2007-4) on Laterals "T" and "R" at a cost of \$41,800. Gilton said in addition to the gate structures the Rubicon Gates themselves, will cost a total of \$101,110. Gilton said these gates will give us accurate measurement of water in the canals, where the current system is not accurate. Motion by Director Kamper, seconded by Director Roos, and unanimously carried to approve the purchase of the gates at \$101,110; and authorize the General Manager to execute an agreement with Cunningham & Sons to build the gate structures at a cost of \$48,100.

President Kuil asked WTP Plant Manager to give his report. Hubkey reported:

The painting of the CWR and interior coating is not complete due to the weather.

Overaa, Inc. is still doing warranty work replacing the insulation washers on #2 DAF. When #2 is complete they will move on to #3.

This year to date, we have spent 412 hours repairing fibers.

Staff is completing the annual drinking water report for DHS.

Hubkey said he attended a membrane conference in San Diego. An engineer from Boyle Engineering stated Zenon is having fiber breakage problems with the V-2 modules. San Diego built a 100 MGD plant without sludge beds. They mechanically separate and haul away sludge daily.

The recent rains have impacted our sludge bed drying; however we should be okay this year unless we have more than average rainfall in the next couple of months.

Consider request by City of Manteca to fence a portion District property located on West Yosemite adjacent to the City's waste water treatment plant. Bologna asked the Board for authority to negotiate with the City of Manteca to exchange some land. He said when he has reached an agreement with them he will bring it back to the Board for approval, Consensus of the Board was to go ahead and negotiate.

Consider cancelling Flexible Spending Plan (FSP) and adopting Premium Only Plan (POP). Stein said we have no participants in the FSP and recommends cancelling it. Relative to the POP he said we negotiated with the General Unit to provide a POP plan; annual cost of the plan is \$125 with Wells Fargo, the current provider of the FSP plan. Motion by Director Kamper, seconded by Director Roos, and unanimously carried, to cancel the FSP plan and authorize the General Manager to execute an agreement with Wells Fargo for a POP plan at \$125 per year which will be paid by the District.

Consider approving Amendment to Grant of Easement for Access for the Costco Project and authorize the Board President and District Secretary to execute the documents. Emrick said this was originally approved at the January 8, 2008 Board meeting. However, the owner has changed from the City of Manteca Redevelopment Agency to Costco and the Amendment needs to be approved with Costco as the owner. Motion by Director Schulz, seconded by Director Holbrook, and unanimously carried, to approve as recommended.

Consider water sale request for property located outside of the District's boundaries. Shields said Mr. Jon Baker wants water from the MSC. We did sell him water on a temporary permit for one year. When we did the sale, we had four other landowners in the area ask for water. Shields recommended denying his request because if we do this for one individual, all landowners adjacent to the MSC will want water. Additionally, the District has no legal obligation to provide water. The fact that the District has no legal obligation to provide water is disclosed on the parcel map that indicates that owners of new parcels carved from the original Boatright Property have no entitlement to water. Motion by Director Kamper, seconded by Director Holbrook, to deny the request. Motion Carried, Ayes 3, Noes 2, with Directors Schulz and Roos voting no.

Consider authorization to hire David E. Vaughn, CPA to do an "Overhead Allocation Study", and authorize the General Manager to execute Mr. Vaughn's Engagement Letter. Stein said we have an allocation prepared by the previous General Manager. However, he feels we should have an outsider's opinion. The cost is not to exceed \$7,200. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried, to approve the Study at a cost not to exceed \$7,200 and authorize the General Manager to execute the Engagement Letter.

Discuss scheduling of shifts for directors to work the District booth at the Ripon Almond Blossom Festival on February 22, 23 and 24. The Directors agreed to split up the shifts. Saylor said we have two staff members signed up for each shift to assist the Directors. No action was taken.

President Kuil asked for Managers reports:

Shields reported:

Reported we will be moving our equipment from the tower on Moffat Blvd., to the new tower at M-2.

OID requested us to participate in solving problems by using the MSC to convey water through the Frymire.

Mark Chase, Division Manager on Division 9 resigned effective January 25th. We are currently looking for a replacement. Director Roos said he is sad to see Mark leave, he did a good job.

ACWA sent a letter asking us to sponsor a Town Hall meeting on April 17, 2008. Our cost is \$2,000 plus facilitate, promoting, coordinating with others.

San Joaquin County formed a new Technical Advisory Committee and did not ask SSJID to be a member.

PG&E is asking for another rate increase because of the failure of their Business Transformation Plan and problems with their employees over being blamed for the plans failure by PG&E executives.

Handed out a copy of the Ripon Chamber of Commerce newsletter as requested last Board meeting.

Tri-Dam Project received FERC extension to 2013 to build a 3rd unit at Tulloch Dam.

Handed out Tri-Dam's billing for power, January 2008, and January 2007 and 2006.

Estimated snow pack at January 31, 2008 was 115%, today it is at 100%.

Per Director Kuil's request I met with Ron McManis relative to trading our 3.5 acres at the Ripon Spill for 9 acres below. Considerable work will have to be done before we can make a decision. Director Holbrook recommended Mr. McManis do all required work at his expense.

Shields said he will look into putting gravel on our roads from the Divide to Woodward, and several lines in the District unless told not to. Board said go ahead.

Shields will be taking vacation from the 16th thru the 23rd, but will be back for the Almond Blossom Festival Sunday.

Director's reports:

Roos asked if we are watching City of Ripon's work along the "V" Lateral. Gilton said our Inspector, Robert Geer, Jr. is keeping an eye on the work.

Director Holbrook reported on the Mid Pacific Region Water Users Conference last month on behalf of the Directors who attended the conference.

Wednesday, January 23

1. Tracy Taylor, Nevada State Engineer discussed what is happening in Nevada regarding the water issue. He made three points:
 - a. Water belongs to the State.
 - b. Water is going to development
 - c. Water is being taken away from farmers.
2. Bureau of Reclamation Personnel discussed the following:
 - a. The position Regional Director for the Mid Pacific Region is open and who is selected will be important to water users.
 - b. B.R. looking into cause, engineering, construction, and inspection of canal failure in Fernley, Nevada.
 - c. Congress passed loan guarantee program to help O&M of aging facilities in the U.S.
 - d. There has been a major turnover of BR management personnel, four, and BR employees – 38 this year.
 - e. BR has a flat budget while projects are increasing exponentially.
 - f. National Security and the protection of facilities have been costly.
3. Fish, Critters, Man – The new Paradigm? Panel Discussion.
 - a. The ESA is not going away, but it does need fixing. It has created problems in the development of the Klamath Basin Model.
 - b. The EPA recovery plan for salmonoids and water resources has created major work for NOAA/NMFS in developing recovery plans along the Oregon and California Coasts.
4. Awards given during Luncheon and Program.
 - a. M. Gordon Johnson Award.
 - b. M.P. Region Directors Water Conservation Award.
 - c. Honorariums, recently retired M.P. Region Leaders.
5. Toured Naval Air Station's Top Gun Training Facilities.

Thursday, January 24

1. The Bay Delta: Issues, programs and activities speaker made the following points:
 - a. State and Federal Projects supply water to 25 million people in Southern California.
 - b. Judge Wanger's Decision has/will decrease flow of water south.
 - c. The EPA decision have decreased water flow south.
 - d. Earthquakes and levee failures are a major threat.
 - e. Forums affecting the Delta include Delta Vision, CALFED, and Cal Bay Delta Authority, and Bay Delta Conservation Plan:
Conclusion: Some form of peripheral canal is eminent.
2. The Bay Delta: Is the Peripheral Canal the Solution? Panel Discussion:
 - a. From the panel's perspective, the Peripheral Canal is the solution to determining and solving the fish problem and maintaining the flow of water south.
 - b. Alignment of the 46 mile canal would have to be worked out.
 - c. There would be many legal issues to be addressed.
3. Panel Discussion? Judge Wanger Decisions:
 - a. Discussed background leading to Wanger's decisions.
 - b. Discussed trials finding and directives
 - c. Discussed actions taken since ruling in August.
 - d. Discussed Wanger's written decisions that came out in December 2007.
- 4-8 Some of the major points/comments for afternoon discussions:
 - a. Ag lands rapidly being lost to development in California, Oregon and Nevada.
 - b. Biofuels are very expensive and use a lot of water.

- c. Storage facilities needed for drought years and flood control.
- d. Permitting procedures need to be streamlined.
- e. Many groups worked together to develop 2007 Farm Bill – waiting on passage.

Friday, January 25

1-4 Some minor points/comments during morning discussions:

- a. Eastern states facing water shortages for the first time similar to the West.
- b. Water 2025 Program geared toward local fixes and people working together to solve problems.
- c. ETA through M4E Program: Efficiency, Transparency and accountability through Managing for Excellence is being developed to help USBR manage its resources and gain trust of its constituents.
- d. Water outlook is much better at the end of January vs. the beginning.

Director Kuil said that Judge Wanger said flows will resume if the impact from pumping restrictions is critical to cities and agriculture.

Shields said two Directors and he attended the Farm Bureau Meeting and a Vice President of the Farm Bureau mentioned the Eminent Domain Proposition they sponsored that is on the June ballot. He said he told them it is only about Developers and Rent Control and asked what the Farm Bureau has to do with that? The VP said when asked about going to PG&E that they did but didn't get any support from PG&E. Also, the Ag Commissioner costs to quarantine and spray are going up.

Shields said there are two Eminent Domain bills and he recommends supporting the League of Cities bill, not the Farm Bureau bill.

President Kuil called for Closed Session: District Counsel Emrick said we will discuss items c., d., and e. in closed session.

- c. SSJID v. LAFCo, Superior Court, San Joaquin County Case No CV 030255.
- d. Conference with Labor Negotiator: Agency Negotiators: Lee Clark, Jeff Shields.
Employee Organization: Management Unit.
- e. Conference with Labor Negotiator: Agency Negotiators: Lee Clark, Jeff Shields.
Employee Organization: General Unit.

Only General Manager Shields and Labor Consultant Lee Clark attended the closed session for discussion of items d and e. Upon returning General Manager Shields reported the following actions were taken in closed session:

Motion by Director Schulz, seconded by Director Holbrook, and unanimously carried, to approve the MOU as negotiated, and described in the term sheet prepared by Lee Clark, effective January 1, 2008.

Motion by Director Schulz, seconded by Director Kamper, to implement the Johnson Salary Survey for the Management Unit effective February 4, 2008., Motion Carried, Ayes 4, Noes 1, with Director Roos voting No.

No other reportable action was taken in closed session.

There being no further business to come before the Board it was moved by Director Roos, seconded by Director Holbrook, to adjourn to February 26, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary