

February 14, 2006
Manteca, California

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: DEGROOT KAMPER ROOS SCHULZ KUIL

Also present were Secretary/Manager Stroud, General Counsel Emrick, District Engineer Gilton, Engineering Department Supervisor Bologna, and Water Treatment System Manager Hubkey.

President Roos called the meeting to order and asked if there is anyone in the audience who wishes to address the board that is not on the agenda under public comment.

There being no public comment President Roos asked the Board to consider approving the Consent Calendar Items as presented.

CONSENT CALENDAR

- A. SSJID Warrants of \$907,946.38 and Payrolls of \$201,141.92.
- B. Regular Adjourned Board Meeting Minutes of January 24, 2006.
- C. Confirm action taken at the January 24, 2006 meeting to increase salaries for certain water treatment positions.

Title and annual salary and prior salary for Step 5 of 5 steps are shown below:

Position	New	Old
Electrical Tech I	\$54,000	\$52,250
Electrical Tech II	\$64,000	\$59,565
Instrument Tech	\$83,000	\$73,150
Lab Coordinator	\$65,000	\$52,250
Laborer	\$41,624	\$41,624
Mech Tech I	\$54,000	\$50,160
Mech Tech II	\$64,000	\$59,165
Office Specialist	\$49,000	\$45,056
WTP Manager	\$114,000	\$104,500
WTP Operations Supv	\$94,000	New Position
WTO Apprentice	\$48,070	\$48,070
WTO II	\$57,475	\$57,475
WTO III	\$68,000	\$61,655

Wages, benefits, and working conditions should be at a premium and improve for all. The next hurdle is the electric utility. If improvements are not made, you will not be able to attract qualified and professional employees to continue to provide safe and reliable service. You should strive to be the employer of choice for this community that you serve and have an endless stream of people knocking at your door for employment and career opportunities.

With that it gives me great pleasure to introduce Nick Fereria, an employee of SSJID and shop steward for the IBEW 1245.”

Respectfully,

Samuel A. Glero
IBEW 1245
Business Representative

Nick Fereria addressed the Board and read the following into the record:

“I, Nick Fereria, am here to inform the Board of Directors of the concerns and feelings of District Employees in the office and Ag-Water Department.

First of all, because of the discrete actions of a Manager on behalf of his employees, the Water Treatment Plant (WTP) employees received wage increases without going through the Collective Bargaining Unit, which is a violation of the law. After the deal was done, our union representative did sign off on this agreement, but only because he also represents the WTP employees and supports wage increases.

We understand that you need to attract more people for the Water Treatment Plant because it is understaffed, but the huge wage increase in the middle of the contract was a slap in the face for all of us. Please understand there are no hard feelings or animosity toward the WTP people on a personal level, but for the way this wage increase was handled.

The District approved a Salary Schedule for these employees based upon research. These people signed on at SSJID to work at the WTP and were well aware of the pay and the 5 step pay schedule the District had implemented. Step 1 being the bottom of the pay scale and Step 5 being the top for a person that has mastered the skill of his/her classification. Now one year later they are already GROSSLY off the high end of the scale with wage increases ranging from 8-45%, depending upon the job. It has been heard that if they didn't receive a wage increase, they would look elsewhere for work. This sounds like legal extortion to us.

WTP employees all had to be trained to run our state of the art membrane plant, so they are the only people around that know how to operate our plant. If they leave, the District

has a \$150 million plant with no one to staff it. So we can see how they have you backed into a corner. In addition, the Cities pay for all of the bills for operating the plant. So if the District spends a million, they get back a million. These pay raises don't cost the District one cent. I wish the Ag Dept. had the same sweet deal.

We feel we deserve the same consideration of a wage adjustment survey for all Supervisor, Ag-Water, and Office employees. The reasons being are:

1. Pay increase in the middle of a contract for the Water Treatment Plant when they agreed to the original wages that are now well beyond the 5th step.
2. Increased workload for the Office personnel, Shop and Maintenance personnel.
3. The WTP office specialist was hired at \$35,000 per year, Step 5, but now in one year is making \$49,000 (a \$14,000 raise) Does she have more skills or workload than our office personnel? We know that not to be the case.
4. WTP mechanic went from Step 5: \$57,000 to \$64,000 (a \$7,000 raise in one year). This is more than our Shop Supervisor makes and 35% more than Ron, our mechanic who has comparable skills, if not more skills. The Shop Supervisor and mechanic have both taken on a larger workload due to the increase in equipment and vehicles at both facilities.
5. We wanted an additional \$200 per month for the 3 day relief men to the tune of about \$3,500 a year, total cost to the District. They were doing the same job as the Day Division Managers when they were on their 2 days off. We were told "we would have to open up the contract and may not like what the Board had to say about the health insurance."
6. What about SSJID being one big family with no animosity toward either facility? Not a good way to achieve this goal. Selective wage increases only added fuel to the fire.
7. Loyalty: Does this not mean anything to the Board? You have people that have been here 10, 20, 30, and Tim Woods has been here for 42 years. WTP employees have 1 year of service: NOT LOYAL, threatening to find work elsewhere.
8. Taking Job Applications at the WTP before a position was even created or posted for a Labor Job. It is my understanding with my 18 years at the District; the Policy is that "we do not accept applications unless there is a job posting to the public." Bill Hubkey has accepted applications for jobs that hadn't even been created, much less Posted at the time he accepted them.
9. WTP did not hire any employee from the Ag-Water Dept. for the Two Operators in Training jobs, but instead hired an operator, Class 2 and another person with no local ties to the community. Any effort to hire from within was merely a fallacy. "Trainee" by definition means "to be trained."

10. Our Division Managers work a 12 hour shift, but only get paid for 11 and are still responsible for the entire 12 hour shift. WTP works a 12 hour shift, but get paid for 12 hours. You can't tell us that they don't have the time to sit and take their lunch breaks.

My conclusion is that the Board could have avoided this entire situation by merely being considerate enough to offer the rest of the employees a wage increase because of what you did for the WTP employees in the middle of a contract.

We have been an irrigation district for 97 years. The faces and actions of the men and women of the Irrigation Department establish credibility which reflects directly upon the Board of Directors. Over the past few years complaints from farmers have continually decreased and canals, ditches, and pipelines have been extremely well maintained. This is a result of the Supervisors, Office, Engineering, Telemetry Systems, Ag Water, Maintenance, and Shop Departments. It is through their daily efforts at planning, job and project assignments that the District runs as effectively and efficiently as it does.

The SSJID Ag-Water Department employees ask that you seriously consider our proposal of a wage survey and/or wage increase for all employees.

Thank you for your time and attention.

Nick Fereria

Shop Steward/IBEW

Stroud said we did a survey for the Water Treatment positions one year ago, the reason it was brought back again is because the world is changing. There is a significant shortage of operators in California, so it is a seller's market. We must have enough qualified personnel to operate the water plant on a sustainable basis to meet city needs. We need 4 more operators and 1 new Instrument Control Tech. We had 4 applications, 2 didn't meet qualifications. Several indicated interest, but not at current salary levels. Following the Board's policy direction, several qualified operators submitted applications. We now have 8 applications for operator, and will be interviewing them tomorrow.

DeGroot asked if the labor positions were opened up to employees here. Stroud said no, not yet. The highest priority need is filling the operator and IC Tech positions, so that is where efforts have been concentrated so far. We could wait a bit longer on the laborer positions because the need is currently being covered by temporary agency personnel.

Schulz asked were the labor positions posted here. Stroud said they have not been posted anywhere yet.

DeGroot asked if any of the Ag-Water employees had applied for the labor positions. Stroud said no, but that may be due to the fact that the vacancies have not been posted yet and we are hoping some will be interested. Working at the plant as a laborer will give a good understanding of what is like to be an operator before they are committed to the certification process.

Roos told the employees they are all very important and appreciated by the Board. Roos said it is up to the Board to see what the right thing to do is, and the issue will be studied by the Board's labor committee.

Fereria said he hopes the Board will do a fair wage and benefit survey for all employees, and enact it fairly.

Steve McCleary told the Board during the last negotiations the offer we voted on said the \$200 raise was for the Control Room Operators. However, after the vote the new wages were posted without the \$200 raise for Control Room Operators. Stroud said there was some confusion, and the offer was made with the wrong information was posted for the Control Room Operators. When the error was discovered, it was promptly corrected.

Kuil said we have a \$150 million plant. Maybe we went too far. We will look at your recommendations, subject to new Job Descriptions, and doing performance evaluations.

Roos thanked the 30 or so employees who came in support of Nick Fereria.

Roos then asked the Board to consider approving equipment purchases for the WTP and award bid to Steve's Chevrolet for the same. When asked why another van, Stroud said it is for the new IC Tech position that we will be interviewing for on Thursday. When asked if they worked different shifts Stroud said there will be 7 day coverage, during the day. There will be three employees, the Electrician, the current IC Tech, and the new IC Tech using two vans. The low bidder was Steve's Chevrolet, at \$21,045.86. Motion by Kamper, seconded by Roos, to approve purchasing the new van from Steve's Chevrolet at a price of \$21,045.86. Motion Carried, Ayes 4, Noes 1, with Director DeGroot voting No.

Consider approving revised job description for Instrument & Control Technician/Industrial Electrician. Stroud said he inadvertently left this out of the packet on January 24, 2006 when the others were approved and asked the Board approve this now. Motion by DeGroot, seconded by Kuil, and unanimously carried to approve the new Instrument & Control Technician/Industrial Electrician job description as submitted.

Presentation by the City of Manteca concerning the City's Storm Drain Master Plan. Don Milam, Associate Engineer – Storm water gave a power point presentation of the Plan. He stated the City has three alternatives: 1. Use the FCOC until it reaches capacity. 2. Use Drains 10 and 11. 3. Continue the line along Woodward Avenue to the river. At this time they will probably continue using the FCOC.

Kamper asked if the City had any clout with County to get them to clean the French Camp Slough. Milam said no.

Roos asked if the City has reserves or are they collecting from developers? Milam said are currently collecting from developers, however more will be required under the new plan, so the financing plan will be updated as soon as the Master Plan is finalized.

Roos asked about the cost sharing formula of 2/3 SSJID and 1/3 Manteca. He said if the City wants to enlarge a road crossing why should the District pay 2/3? Stroud said the formula is for maintenance, and was basically done because SSJID uses the FCOC approximately 7 months of the year while the City of Manteca uses it about 5 months of the year.

Kuil asked why the City gave Florshiem permits prior to the District approving the use of our drains. Milam said only excavation permits were awarded, and Florshiem was told they were subject to SSJID approval and were proceeding at their own risk if they jumped the gun.

Schulz asked when SSJID no longer uses a line; don't we transfer it to the City? Bologna said we do transfer the line, but not the easement. However, the City signs an indemnification agreement. Emrick said the easements are transferable, but if the City uses the easement for a different purpose that impacts the landowner, the landowner may object.

Emrick said relative to the City's various options for disposing of drainage in the southwestern portion of the City, the District doesn't feel we can say today we agree with the City's plan to rely on use of Drains 10 & 11 and the FCOC, instead of building its own drain. Milam said he understands that.

Bologna said he recommends the Board accept the City of Manteca's Storm Drain Master Plan, and approve the new Master Storm Drainage Agreement between the District and the City of Manteca, and authorize execution of same.

Motion by DeGroot, seconded by Kuil, and unanimously carried, to accept the Storm Drain Master Plan and approve the Master Storm Drainage Agreement, and authorize execution of both.

Consider declaring the concrete pipe rubble currently at the River Road site as surplus and approve the Remove Scrap Concrete Agreement with Barton Ranch. Since the material has no real value to the District as is, Stroud recommended we approve as requested. Motion by Kamper, seconded by Roos, to approve as requested. Motion Carried, Ayes 3, Noes 2, with Directors Schulz and DeGroot voting No.

Consider approving revised District Expense Policy to conform to the requirements in AB 1234. Motion by Schulz, seconded by Kuil, and unanimously carried, to approve the new expense policy as submitted.

Consider authorizing the General Manager to sign Change Order #1 with Condor Earth Technologies for engineering services relative to the Joint Canal and Tunnels. Gilton said Beck's Enterprises has finished work on the Gable Tunnel. He said Beck's drilled some exploratory holes in the long tunnel at the request of Condor, and this bill is for that plus markup, of three days of drilling and patching holes in the long tunnel. Gilton recommends approval. Motion by Kuil, seconded by Kamper, and unanimously carried, to approve execution of Change Order #1 in the amount of \$16,185.50.

Consider setting a start date for the 2006 Irrigation Season. Stroud said we should have all the maintenance projects finished by February 25th. He said he wants to start bringing water in on the 20th raising Woodward up to elevation 205 by about March 1st, so we will be ready when the Board directs that delivery to growers begins. Kamper said he doesn't think based on California Irrigation Management Information Systems that we need to rush into the season. Bologna said the work on the Tbb, T, Y and Z laterals is not quite done, however it should be done by the end of the month. If not, there are approximately 800 acres that would be affected. After discussion the following action was taken. Motion by Schulz, seconded by Kuil, to tentatively schedule the start date as March 1st unless we have ½ inch or more of rain between now and then if we do have rain, to delegate to staff when to start the season. Motion Carried, Ayes 4, Noes 1, with Kamper voting No.

Roos asked for manager's reports.

Hubkey reported that since we are going to bring Woodward Reservoir up to 205 foot elevation, he will notify Stanislaus County so they can remove the restrictions on body contact recreation that apply when the water plant is using the lower intake. Emrick reminded Hubkey that the contract calls for releasing the restrictions after March 1st, and to make sure it is not done before March 1st.

Stroud said the USBR wants us to divert 600 cfs to reduce the flows in the river. Schulz asked why we aren't if we don't get charged for the water. Stroud said he would do so if the year-end accounting would account for this as District use.

Hubkey said we met with Black & Veatch and worked through the punch list for Overaa. However, Zenon has still not successfully completed their 42 day test, and they are not sure why yet. Primary focus is on the cleaning process to see if that can be improved.

Stroud reported that at the ACWA Conference in Monterey in May, ACWA will be offering three sessions to comply with AB 1234. Directors must complete the 2 hour session by 2007. Additional opportunities to meet the requirements will occur later in the year.

Reported Jim Lutz has 40 acres he wants to split into 4/10 acre parcels. However, he doesn't want to replace the line because "the land use won't change". The Board asked this be put on the agenda next week so the issue of district policy can be addressed relative to this parcel.

Thursday is Tri Dam meeting at SSJID.

Friday night is the employee appreciation dinner.

Relative to annual preventative maintenance on wells, we only have one bid so far, it is from N&S. If no other bids can be obtained by the 1st of March we will go ahead and hire N&S.

Operating Committee for the WTP met and authorized an additional \$665,000 for completion of construction. \$500,000 of the increase is for process optimization to reduce the labor intensity and reduce other ongoing costs of operation.

Interviews for Water Treatment Operators and IC Tech will be held Wednesday and Thursday of this week.

DeGroot asked again about the lot adjacent to the pump station on Louise Avenue in Manteca, being cleaned up. Stroud said some recording information from the County is the only issue still holding up the agreement. The City is happy to perform the work, but wants the agreement signed first.

Kamper reported on the trip he took to Eugene, Oregon to see Emerald Peoples Utility District with Shields, Gilton and Simons. He said they have been in business for 20 year, 10 years in their current building. Their facility is great, and he learned a lot that will help SSJID through the process.

Kuil reported that he and DeGroot met with Mr. Wilson relative to the Murals. He said the cost could be anywhere between \$20,000 and \$70,000 depending on square feet and type of paint. He asked if the District can spend that for this. Emrick said we could as long as it promotes our statutory purpose, for example by linking the District's support of irrigated agriculture.

President Roos asked for closed session. General Counsel Emrick said the Board will be discussing item a., b., and c. in Closed Session.

- a. Conference with legal counsel, re: Anticipated litigation, initiation of litigation. Gov. Code, S. 54596.9 (c). One Case.
- b. Conference with legal counsel, re: Anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. One Case
- c. Property: A portion of Stanislaus County APN 002-021-051.
Negotiating Parties: SSJID and property owner Borba
Under negotiation: Price and terms of payment.
Agency Negotiator: Steve Emrick

Upon returning from closed session General Counsel Emrick reported the following action was taken in closed session:

Motion by DeGroot, seconded by Kamper, to authorize the General Manager to sign the agreement with Delores Borba M. Borba as trustee and to accept an easement to fence the District's canal through the Borba property subject to the conditions in the Agreement. Motion carried, Ayes 4, Noes 1, with Director Roos voting No.

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

There being no further business to come before the Board it was moved by DeGroot, seconded by Kuil, and unanimously carried, to adjourn to February 28, 2006 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary

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