

Manteca, California
February 28, 2012

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: KAMPER HOLMES HOLBROOK
ABSENT: KUIL ROOS

Also present were General Manager Shields, General Counsel Emrick and Engineering Department Manager Bologna.

Director Holbrook called the meeting to order and led the salute to the flag.

Holbrook asked for public comment. Leroy Cardoza stood up and introduced himself to the Board. Mr. Cardoza stated that he is a landowner in the District. He said that he is concerned that the Board is considering irrigation time limits due to the dry winter. He said that he lives on sandy soil and he believes that water should be cut by a percentage of the time normally used, not a flat time for all. He said if water is delivered based on a percentage of a property's historical use, he believes it would be more equitable. Holbrook said the Board would keep his suggestions in mind. Director Roos arrived at this time. Kamper said that this may be a year when we all suffer. Decisions made by the Board may come down to just trying to keep permanent crops, such as trees, alive. Kamper said "it's a dire water year". President Holbrook thanked Mr. Cardoza for coming. There being no further public comment, the Board was asked to consider the following Consent Calendar Items.

CONSENT CALENDAR

- A. Warrants of \$823,225.79.
- B. Regular Board Meeting Minutes of February 14, 2012. President Holbrook pointed out that on page 5, under Director's reports, Pablo Arroyave's name was spelled incorrectly.
- C. Approve signature of the following Consent to Entry of Property Agreement and Certificate of Acceptances. These Properties are participating in the District's On Farm Water conservation Program.
 - 1. APN 226-140-11, Silagi Family Trust
 - 2. APN 228-130-08, Sam & Jane Weststeyn
- D. Approval of the following Irrigation Service Abandonment Agreements:

Agr. #	Directors Division	Owner Name	APN	Acreage
1641	Holmes	Z. Hogan & D. Laguero	205-240-29	10.00
1642	Roos	Ron Den Dulk	228-170-29	.74

Director Holmes asked that Agreement #1641 with Hogan & Laguero be tabled until the next meeting.

Motion by Kamper, seconded by Holmes to approve the Consent Items making the spelling correction noted above and excepting Agreement #1641, which will be tabled until March 13.

PASSED AND ADOPTED on this 28th day of February, 2012, by the following roll call vote:

Ayes: Kamper Holmes Holbrook Roos
Absent: Kuil

ACTION CALENDAR

Item #1, Division 9 Update. Jeff Shaw, Field Manager from Stantec addressed the Board. Jeff said that the hope is that as of today all the pipelines will be repaired, with the final pressure testing completed soon after. The 50 hp pumps will be commissioned this week and will be used in manual mode to test turnouts. The remote testing will begin in a few weeks. Jeff told the Board that everyone is working very hard to get this project up and running. Holbrook asked how long before we can pressurize the system. Shaw said we should be able to pressurize this week. Jeff also told the Board that the permanent pumps will be arriving on March 16, which is earlier than expected. Kamper asked why the elbows on the main pipeline are popping off. Jeff said he is only aware of that happening at two locations and that according to the manufacturer, tightening up the T bolts corrected the problem. Holbrook thanked Jeff for the update.

Item #2, Approve increase to the cost ceiling for Aspen Environmental Group by \$73,000. Emrick explained to the Board that due to an expanded work plan, Aspen's budget is nearly exhausted. Emrick said it is his recommendation that the Board approve an increase of \$73,000 to Aspen's budget. Motion by Holmes, seconded by Kamper to approve an increase of \$73,000 to the cost ceiling for Aspen Environmental Group. The motion passed unanimously.

Item #3, Appointment of a SSJID Representative to the Oversight Board of the Manteca Redevelopment Agency. Jeff Shields explained that due to the dissolution of Community Redevelopment Agencies in the State, legislation calls for the formation of an "Oversight Board". Because SSJID is considered the largest Special District in the Manteca Redevelopment Agency territory, we are obligated to appoint one member to the Oversight Board of the Manteca Redevelopment Agency. Motion by Kamper to appoint Shields as the District's representative on the Oversight Board, with John Holbrook as his alternate. The motion was seconded by Holmes and unanimously passed.

Item #4, Approve a Letter of Understanding with San Joaquin County Public Works in regards to the Eleventh Street/Grant Line Road Roundabout Project and the relocation of South San Joaquin Irrigation District's Water Supply Facilities. WTP Manager, Hubkey addressed the Board. He explained that the WTP's mainline transmission is located in the County right of way where the County is in the process of replacing a signal with a multi-lane roundabout at the intersection of Eleventh Street and Grant Line Road in Tracy. The Board is being asked to approve the Letter of Understanding that states that SSJID facilities other than the pipeline itself are being relocated and outlines the

District's responsibilities concerning the relocation. The letter also addresses the issue of costs associated with additional changes to the design. An additional \$6,000 to complete the design work will be paid to Forsgren Engineering. All costs associated with the relocation will be covered by the City of Tracy. Motion by Roos, seconded by Holmes, to approve signing the "Letter of Understanding" after it has been reviewed by District Counsel, along with any changes he may make per staff recommendation. Motion passed unanimously.

President Holbrook asked for Hubkey's Managers report. Bill reported the following:

- B & B Trucking started hauling waste water & citric acid to the City of Escalon.
- Will be interviewing on Wednesday & Thursday for Operator positions.
- Plant staff is working on the annual Department of Health Report.
- Annual inspection of the Plant by Department of Health will take place next Wed.
- Quarterly acid cleans begin next week.
- V-4 modules should be ordered in the next two weeks.

Item #5, Reconsideration of Approval of Encroachment Agreement for Dave Van Elderen. Dave Van Elderen addressed the Board. Mr. Van Elderen told the Board that he didn't know that he had to apply for another Encroachment Permit. Also, after meeting with one Board member in the field, he thought that he could proceed with planting his trees. Two other issues of Van Elderen's was that he would like approval to tie into the District's line and be able to rent the District's pump for frost protection. Mr. Van Elderen said he didn't feel that District staff was working with him to his satisfaction. President Holbrook read the approved minutes from January 24th, which outlined what the Board approved along with the following approved motion, "Motion by Kuil to conditionally approve the Encroachment Agreement to specify the existing well w/ appurtenant equipment and a row of trees to encroach upon District easement subject to staff approval of trees' location and final action by the Board. The motion was seconded by Kamper and unanimously approved." Holbrook pointed out that the minutes clearly state the need for an encroachment agreement including the need for staff approval and final action by the Board before any trees were to be planted. Again, Mr. Van Elderen said that he didn't know that and thought that he should have been sent a letter outlining the Board's action even though he was present at the meeting. Holbrook told Mr. Van Elderen that the District wants to work with him and that he needs to meet with District staff. After further discussion, Director Kamper said that a lot of misunderstandings could have been avoided had staff been involved in the meeting with the landowner. Kamper stated that no Board member has the right to make decisions for the whole Board. He said that the goal of January's ruling was to ensure that the trees were planted a safe distance from the pipeline and that the agreement include the existing sump/well. General Counsel Emrick recommended to the Board that the encroachment be rescinded. The Board did not agree with the recommendation. Holmes said that we need to put differences aside and work together with the landowner. He also stated that this issue highlights the importance of updating and amending the District's encroachment policies. Holmes told Mr. Van Elderen that there are more than the trees and a well encroaching on the District's easement and all of the encroachments need to be covered in the encroachment agreement. He said we need to proceed with the process. At this point Sam Bologna spoke. He said he agrees with Mr. Van Elderen when he says that the District needs to be consistent in enforcing encroachment policies. Bologna said that in one year the District can spend over \$100,000 removing illegal trees from our easements. He stated that it is a costly problem to the District. Shields suggested that the

Board appoint one Board member to meet with Sam and Van Elderen to work out the details of the encroachment agreement. It was the consensus of the Board that Director Roos and Sam Bologna would meet with Van Elderen this week and that an Encroachment Agreement would be ready for signature by week's end. The General Manager will be authorized to sign the agreement.

Item #6, Award contract for fencing around FTU sites within the Division 9 Project. Bologna told the Board that he received five bids for the installation of fencing around the FTU sites. It is the hope that the fencing will deter theft and vandalism at the sites. The low bid came from Lindsey Fencing at \$60,200. Bologna recommends award of contract to Lindsey Fencing for an amount not to exceed \$66,220, which includes a 10% contingency. Motion by Kamper, seconded by Roos to award contract to Lindsey Fencing, per staff recommendation. Motion passed unanimously.

Item #7, Discussion and possible action concerning proposal by AFLAC to provide supplemental insurance products to SSJID employees. Shields presented the proposal by AFLAC to offer this supplemental insurance to District employees. He explained that having this available to our employees will be at no cost to the District. Motion by Roos, seconded by Holmes and unanimously approved.

Item #8, Discussion and possible action on request by Manteca Police Department/SHARPS unit for donation of two SSJID trucks scheduled for replacement. Shields told the Board that in 1997 and 2000 SSJID authorized transfer of title of two ½ ton pickups to MPD/SHARPS volunteer unit. They have once again asked that the District consider transferring title of two replacement trucks. The District benefits from the donation because the District's donation is noted on the truck and SHARPS notifies us of any problems they observe with the District's facilities, such as when they become defaced with graffiti. Because SHARPS has used the other trucks for long period of time, the District will not ask for a percentage of sales proceeds this time. After a brief discussion the consensus of the Board was to tentatively approve the donation but to table the issue until March 13 at which time the Board would adopt a resolution declaring the trucks surplus.

Item #9, Approve engagement of professionals to prepare 2012 refunding bond issue. Lindley explained to the Board that the District is currently paying on average 3.89% on the 2008A Certificate Of Participations. He explained that the latest analysis shows the "All-In True Interest Cost" of the new 2012 Refunding Series would be 1.7% thus saving the District money. To accomplish this change, the District would need to engage the team of outside professionals. The term of the new bonds would remain the same as the existing and be scheduled to be paid off in 2019. Staff recommends approval of Resolution 12-03-F, Engaging an Underwriter and Financial Advisor and Reconfirming Engagement of Bond Counsel. Motion by Roos, seconded by Holmes to approve Resolution 12-03-F.

RESOLUTION NO. 12-03-F

RESOLUTION OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT ENGAGING AN UNDERWRITER AND FINANCIAL ADVISOR AND RECONFIRMING ENGAGEMENT OF BOND COUNSEL

WHEREAS, South San Joaquin Irrigation District (the "District") has determined to refinance all or a portion of the South San Joaquin Irrigation District Revenue Certificates of Participation, Series 2008A subject to conditions which the Board of Directors will specify in a future resolution;

WHEREAS, the Board of Directors desires to instruct Public Finance Resources, the District financial advisor, Stradling Yocca Carlson & Rauth, a Professional Corporation, the District bond counsel ("Bond Counsel"), and Cantella & Company, the District underwriter, to prepare all necessary documents to implement the proposed refinancing for consideration by the Board of Directors at a future meeting;

NOW THEREFORE, BE IT RESOLVED, that Public Finance Resources, Cantella & Company and Stradling Yocca Carlson & Rauth are hereby authorized and directed to prepare all resolutions, financing documents, offering documents and other documents necessary to accomplish the proposed financing. Such resolutions and documents shall be brought back to the Board of Director's for review and possible action prior to the execution thereof.

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

PASSED AND ADOPTED this day, February 28, 2012 by the following roll call vote:

AYES: KAMPER HOLBROOK HOLMES ROOS

NOES: NONE

ABSENT: KUIL

President Holbrook asked for Directors Reports:

Director Roos reported the following:

- Attended TID's VIP showing of "The Irrigationist" The story of the Turlock Irrigation District on February 24. Said it was very well done. Copies will be available on March 1.
- Noted that the forecast for March is still colder and dryer than normal.

Director Holmes reported the following:

- Also attended TID's showing on February 24.
- Commented that it is very important that he, Sam & Dave get together and finalize the District's Amended Encroachment Policy.

Director Kamper stressed the importance of getting a letter out to all landowners in the District outlining possible drought measures the Board may adopt this summer and that it should be done as soon as possible.

Director Holbrook reported the following

- Said he also attended TID's function. He noted that TID started early on in their history providing retail electric.
- A reception for Bob Elliott a candidate for County Supervisor is being held Wednesday, March 7.

President Holbrook then called for Managers Reports:

Communications Coordinator, Troylene Saylor reported the following:

- District booth at the Almond Blossom Festival held last weekend in Ripon was well received but the festival didn't seem as well attended as previous years.
- Hispanic Chamber Mixer will be held at the District on March 14, 5:30 -7:30 pm.
- Manteca Street Fair will be held April 14 & 15.
- SSJID will sponsor Little League @ the Stockton Ports on May 6

Sam Bologna, Engineering Department Manager reported the following:

- 2012 Water Conservation Program update:
 - We have received 82 applications to date.
 - \$800,000 is committed
- Continue to work with David's Engineering with the District's pilot flow measurement plan.

Jeff Shields, General Manager

- Continue to dispute the water conservation accounting with the Bureau.
- Cheryl Burke, Executive Secretary will be retiring effective March 30.
- One Voice trip will be April 15-18 in Washington DC.
- According to a website for disclosure of political contributions, in 2010, PG&E donated \$908,623 to the group Common Sense San Joaquin.
- Attended Ag Energy Consumers Association Board meeting last Thursday in Sacramento.
- Spoke at the Farm Bureau, Escalon Farm Center dinner on Thursday, February 23rd. Bob Holmes and Bob Schulz also attended.
- Last Thursday, the District hosted a water metering technology workshop for irrigation districts and water agencies throughout the region.
- Will be out of the office, on vacation March 4-11.
- Handed out the most recent Tri-dam Report.

General Counsel announced the Board would be discussing Items 11 a., b. & c. under Closed Session.

- a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code
Section 54956.9- 2 cases
- b. CONFERENCE WITH LEGAL COUNSEL- Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section
54956.9
- 1 Case
-Various water quality proceedings before State Water Resources Control
Board—Delta Flow Criteria, San Joaquin River Flow Objectives
- c. CONFERENCE WITH LABOR NEGOTIATOR.
Agency Negotiator: Dan Pope
Employee Organization: I.B.E.W. Local 1245.

Upon returning from Closed Session, it was announced that there was no reportable action taken.

There being no further business to come before the Board it was moved by Roos, seconded by Holmes to adjourn to the next scheduled meeting to be held Tuesday, March 13, 2012.

ATTEST: _____
Cheryl Burke, Executive Secretary