

Manteca, California
March 10, 2009

The Board of Directors 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 KUIL KAMPER SCHULZ ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, Communications Coordinator Sayler, Water Treatment Plant Manager Hubkey, and Utility Systems Director Battles.

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 as presented.

CONSENT CALENDAR

- A. Warrants of \$837,721.68, wires of \$173,465.59 and payrolls of \$295,535.36.
- B. Regular Board Meeting Minutes of February 24, 2009.
- C. Irrigation Service Abandonment Agreements, Director Roos asked this item be tabled.
- D. Agreement to transfer irrigation facilities by and between Donald & Shirley Gallagher and SSJID in conjunction with District Project #SSJ-2008-10.

Motion by Director Kuil, seconded by Director Roos, to approve the Consent Calendar items with corrections and removing item "C".

PASSED AND ADOPTED this 10th day of March 2009 by the following roll call vote:

Ayes:	Holbrook	Kuil	Kamper	Schulz	Roos
Noes:	None				

Consider approving upgraded security system at the Solar Farm. Shields said the existing system works; however we have way too many false alarms from rabbits, foxes, and other animals. Avila said we purchased a system that was inexpensive, although they did claim it would not set off unless human beings went through it. The new system is different and will secure the perimeter. After discussion the following action was taken: Motion by Director Holbrook, seconded by Director Kuil to approve with conditions. Motion was withdrawn and the Board instructed staff to visit a couple of sites with a similar system, and to get a performance guarantee from the supplier. They also said to get a quote to install a similar system and the WTP, and to have the supplier attend the next Board meeting. No action was taken.

Consider abandoning the Ripon Spill. Item was moved to the end of the meeting per request of General Manager Shields.

At the request of Directors Kuil and Roos, discussion and possible action concerning illegal sump and unauthorized encroachment of District easement. Bologna said this property, owned by Weststeyn Family, has several different parcels and some of them had cancelled Irrigation Service Abandonment Agreements in July 2008 because they were using District water even though they were signed off. Condition of that action was "to approve the cancellation subject to the replacement of their sump with a new sump that meets District standards. Bologna said that the landowner did not get a permit or put in a sump per our standards. He said our specifications are designed for the benefit of the landowner as well as the District. He said that the new structure doesn't have a shut-off valve, so we have no control over the pump. It can be turned on and off as the irrigator wishes because there is almost always water in the line. If we are not notified when they take water and when they release the water, we will have trouble controlling water and downstream users are likely to be impacted negatively because the demand on this lateral is significant. We have no idea of the pump's draw on the lateral and how long it will take to irrigate the 165 acres or even if the structure will irrigate all the acreage. In addition to the above issues, we have no access to a control box on the property because grapes were planted on the District's access easement. Directors Kuil and Roos stated that they would

accept the new structure. Director Holbrook said if the Board has standards we should either require compliance with those standards or get rid of the standards. Emrick said we need an agreement with the landowner that they will notify us when they want water, agree to give us access, and agree that the District can disable or remove the pump if they continue to take water without notifying us. Holbrook noted if you rescind your motion of last July everyone can do as they please without any consequences. After discussion it was moved by Director Kuil, seconded by Director Roos, to allow property to use the pump this year with the following conditions:

1. Require the landowner to obtain a Structure Permit before receiving water this water season.
2. For the duration of the water season, each delivery of water to the property will be scheduled with the District's Division Manager
3. The Property Owner will install a shut off valve with the District's approval both as to location, design and installation at the end of 2009 water season and before the start of the 2010 water season.
4. The Property Owner will sign an Encroachment Agreement for the vines planted over the Subject Property and execute a new Access Easement over the Subject Property.

Motion Carried Ayes 4, Noes 1 with Director Holbrook voting No.

Set a start date for the 2009 irrigation season. Emrick told the Board that we have Canadian Geese nesting at elevation 204.5 feet. We will begin filling tomorrow and fill the reservoir to under 204 foot elevation until the eggs are hatched. The Board after discussion took the following action. Motion by Director Kuil, seconded by Director Schulz, and unanimously carried to start delivering water on March 19, 2009.

Discussion and possible action concerning the purchase and or sale of water. Shields said Director Kuil asked this be on the agenda because several landowners had asked about the District buying water from them. Also we need to discuss the possibility of selling water to the State Water Bank. After discussion it was the consensus of the Board to inform landowners we will not be buying pumped water, and to wait until we know exactly what our supply is before we look at selling to the Water Bank. No action was taken.

Communications Coordinator Saylor and Director Holbrook reported on their trip to the ACWA Legislative Conference in Washington D.C. Saylor yielded to Director Holbrook. He thanked Troylene for a job well done. He thanked General Manager Shields for scheduling meetings with Members of the Senate and the House or their staffs. He said it was a good experience. Reported there were three major items we went to discuss:

1. Release of water from New Melones for Bureau Contracts:
 - a. Met with Congressman Jerry McNerney. Mentioned that U.S. Senator Feinstein and other elected officials were exploring taking New Melones water south. Congressman McNerney said we will see about that.
 - b. Senator Feinstein's staff said, when we broached the subject of taking New Melones water, they were not aware of what we were talking about.
2. Division 9 Pressurized System Project. Troylene and I presented an overview of our District and what we are trying to achieve with our Division 9 Project to five different groups of Congressmen and/or Senators and/or their staffs and various Senate and House and Committees and Subcommittees.

We were received very well and given good direction.

Holbrook said, he believes our direction can be characterized by the e-mail he received from CSDA which states in part that 95 billion dollars of the American Recovery and Reinvestment Act monies will be going to California. Funds are available for shovel-ready water and waste water projects through the State Water Resources Board. We need to look for existing programs for the funding we are seeking.

There was an overwhelming interest by all in our Solar Voltaic Projects. Leah Ressin of Senator Feinstein's staff will be in our area in April and asked if it would be possible to tour the Solar Farm and Water Treatment Plant.

3. City of Ripon's request to connect to our Water Treatment Plant.

We advised the people we met with, that the City of Ripon may be seeking funds to assist in their project to connect to our Water Treatment Plant and we support their project.

Sayler said she agreed with Director Holbrook that it was very worthwhile for our legislators to see us and they were supportive of the District's efforts to conserve water and energy.

Director Holbrook said the Congressional Reception was interesting and worked out well. He thanked Troylene and Jeff, and he thanked his wife Denise, who attended the conference with them

Hubkey reported:

Sludge is being hauled away, should be finished in a week.

Completed annual sampling of sludge. Results showed we were within the limits of Title 22 for disposal purposes.

Our SCADA #1 computer failed and the backup we installed, the hard drive failed, we replaced the hard drive and it worked fine.

We replaced the level control unit on Reservoir Tank #1 with a gravity pressure control unit. The old unit used sonic waves.

Tracy told us they want their entire allocation of water this year with lowest amount of pump usage. We are looking at ways to accommodate them.

We charged the water line at the solar farm with 60 psi. So far no leaks have appeared.

Battles reported:

Candace of PG&E gave us March 18, 2009 for startup of the second phase.

Relative to purchasing the land where the solar farm is located, we have signed agreements from all the cities except Lathrop. They said it will go to the council next week.

Shields reported:

Relative to the City of Ripon taking water from the WTP all four Cities support the idea, with reservations about not impacting their share of capacity water today or in the future.

Met with GE/Zenon yesterday. Hopefully getting close to an agreement with them.

AB1253 changes striped bass fishing in the Delta. Was supported by MID, not confident it will succeed.

Paid the City of Lathrop \$265,000 for the bridge over the San Joaquin River.

PG&E got \$45.4 million for a 2 MW Fuel Cell system. Additionally, they increased the taxes to developers from 22% to 34%.

Based on comments from Director Schulz regarding repeated complaints of ATV's and dirt bikes being ridden on our access roads and in the Main Distribution Canal, Shields asked Sayler to put contact information for the Sheriff and the District in the Spring newsletter.

Directors' reports:

Schulz said at the Farm Bureau meeting he met the wife of a man who works for Berryhill, and she wants to talk to us.

Kamper asked about the status of the Division 9 pressurized system. Shields said he has talked with a couple of landowners about locating ponds on their property. All the preliminary engineering work is done. Bologna said we have a meeting set for March 25, 2009.

President Kamper called for closed session. District Counsel Emrick said we will discuss three items in closed session.

- Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. Two cases.
- Conference with real property negotiator: Negotiating Parties: District, City of Stockton, Stockton East Water District, and California Water Service Company. District's negotiator: General Manager and General Counsel. Under Negotiation: Price and Terms of Payment for sale of water.
- Conference with legal counsel, anticipated litigation. Gov. Code, S. 54956.9.

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

Motion by Director Roos, seconded by Director Holbrook, and unanimously carried, to authorize the General Manager to execute the "Joint Prosecution and Defense Agreement" with the SJRGA et. al.

District Counsel Emrick said there was no other reportable action taken in closed session.

President Kamper called a recess for lunch and stated the Board will meet at the Ripon Spill on River Road just west of Wagner Road, around 1:00 p.m. and return here to discuss abandoning the Ripon Spill.

Upon returning from lunch President Kamper called the meeting to order and asked the Board to consider abandoning the Ripon Spill. All Directors were present except Director Roos. After discussion the Board instructed General Counsel Emrick to review the lawsuit and other documents and report to the Board at the next meeting. No action was taken.

Motion by Director Schulz, seconded by Director Kuil to adjourn to March 24, 2009 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary