

Manteca, California
March 11, 2003

The Board of Directors of the South San Joaquin Irrigation District met in regular adjourned 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
 ABSENT: SCHULZ

Secretary/Manager Stroud called the meeting to order in the absence of the Board President Bob Schulz and announced the death of Vice President Lloyd Haworth on Sunday March 9, 2003. Secretary/Manager Stroud told the Board that they will have 60 days to fill the vacancy caused by Haworth's death. This can be accomplished either by appointment or with a special election. Stroud expressed the feelings of all those in attendance when he said it was hard concentrating on the business at hand. However, he also said that Lloyd would tell us to get on with the District's business. Additionally, Board President Bob Schulz is having some health problems and will not be attending Board meetings for the time being. Because of the unavailability of both the Board President and Vice President there was a need to appoint an interim president to preside over the March 11th meeting. Motion by Roos, seconded by Kamper, and unanimously carried, to appoint Director DeGroot as President of the Board to preside over this meeting. President DeGroot asked for a moment of silence in honor of Lloyd Haworth.

General Counsel Emrick said there are two items we need to take care of today. Electing a Vice President of the Board to fill Lloyd's position, and new signature cards for the bank, since Directors Haworth and Schulz are currently the only ones authorized to sign checks. First we need to add these items on the agenda.

After discussion the following actions were taken:

Motion by DeGroot, seconded by Kamper, finding that due to the sudden death of Board Vice President Haworth and the absence of Board President Schulz, and unanimously carried, the Board needs to add to the agenda the election of a new Vice President and the approval of new signature cards.

Motion by Roos, seconded by Kamper, and unanimously carried, to elect Director DeGroot as Board Vice President.

Motion by Kamper, seconded by Roos to adopt Resolution No 03-06-F.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION 03-06-F
UPDATE SIGNATURE CARDS WITH GUARANTY BANK**

WHEREAS, the SOUTH SAN JOAQUIN IRRIGATION DISTRICT (District) must update its signature cards with its financial institutions.

RESOLVED, that any one of the following named officers,

Dave Kamper
Robert Schulz
Nick DeGroot
Ralph Roos

and one of the following named District staff,

Stevan Stroud, General Manager/Secretary
John Stein, Assistant General Manager/Assistant Secretary
Robin Giuntoli, Finance Supervisor

are authorized to co-sign checks, drafts or other orders for and on behalf of the District from the bank designated as the District's Business Checking Account.

RESOLVED FURTHER, that any one of the above noted staff is authorized to sign PAYROLL checks, drafts, direct deposit wires or other orders for and on behalf of the District from the bank designated as the District's Business Checking Account.

PASSED AND ADOPTED this 11th day of March 2003 by the following roll call vote:

Ayes:	DeGroot	Kamper	Roos
Noes:	None		
Absent:	Schulz		

Vice President DeGroot called for public comment. There being none he asked the Board to consider approving the Consent Calendar Items as presented.

CONSENT CALENDAR

- A. Warrants of \$438,586.32 and Payrolls of \$130,575.97.
- B. Regular Adjourned Board Meeting Minutes of February 25, 2003.

Motion by Kamper, seconded by Roos, to approve the Consent Calendar Items as presented.

PASSED AND ADOPTED this 11th day of March by the following roll call vote:

Ayes:	DeGroot	Kamper	Roos
Noes:	None		
Absent:	Schulz		

Authorize the General Manager to execute documents and approve payment for acquisition of property for the Water Treatment Plant. Stroud said he would like to have authority to execute documents for purchasing easements if the landowner agrees with the appraised price. We will give landowners until April 1, 2003 to agree and if they do not we will initiate procedures and ask the Board for approval to start condemnation procedures.

Motion by Roos, seconded by DeGroot, and unanimously carried, to authorize the General Manager to execute the necessary documents and approve payment for acquisition of property for the Water Treatment Plant when the landowner agrees to the appraisal.

Vice President DeGroot said John Azevedo told him a chipper contractor came by and was going to take out 2 rows of trees on his property and wanted to know why we would do this before we had an agreement with him. General Counsel Emrick said he spoke with the Contractor who had the low bid and the contractor said he did not hire anyone to perform work, and will not until he has a signed contract to perform the work. Emrick said General Manager Stroud and I will meet with Mr. Azevedo in order to resolve this problem and report to the Board at the next meeting.

Discussion regarding extension of Sump Subsidy Program. Stroud gave several suggestions to be amended or added to the existing sump program. The Board asked that he make the following changes:

1. End the program for existing sumps upon elimination of all substandard sumps.
2. Increase the maximum District reimbursement to \$3,000 or 50%, whichever is less.
3. Establish objective criteria for ranking existing sumps - head on pipeline, pipeline material, and duration of excessive pressure on the pipeline.
4. Reevaluate all existing sprinkler sumps and rank according to objective criteria.
5. Work first with the owners of sumps that present the greatest risk to District facilities.
6. Participation in the program will not be optional.
7. Landowners that cannot afford to bring the substandard sumps up to District Standards would be offered the option of continued delivery of water, but at heads that do not over pressurize District pipelines and for durations not longer than historic irrigation times. Longer than historic irrigation times would be permitted only where they would not adversely affect irrigation schedules or heads for other lands.
8. Assign management of the program to the District Engineer.
9. Authorize the General Manager to approve permits without further Board approval, subject to availability of budgeted funds and give periodic reports to the Board regarding permits

issued.

10. Irrigation Service Abandonment Agreements requested less than 5 years from completion of upgrading the sump would be approved only upon repayment of all District costs incurred in bringing the sump up to District Standards, including permit processing and inspection costs.

Stroud said the recommended changes in the program will require District financial commitment of about \$100,000 spread over about two years, based on a maximum of \$3,000 on each of forty substandard sumps. Revision of both the District Standard and the criteria could increase the total. Stroud asked the Board for a consensus to make the above changes to the sump program. The Board agreed to make the above changes, with the direction that the program for reimbursement for new sumps would not sunset like the program for substandard sumps. Stroud said he would give them an revised program for their approval at the next Board meeting. No action was taken.

Cancellation of Service Abandonment Agreement No. 1177. Due to a problem with the County Assessor Parcel Number, the item was tabled until March 25, 2003.

Vice President DeGroot called for General Manager's report.

Generator #2 at Tulloch is down until March 15th. We are currently diverting only 550 cfs in order to minimize spill until the new generator is back in service. As soon as it is working we will increase the diversion and fill Woodward Reservoir.

Ron Morrow returned to work full time Monday, March 10th.

Stroud said the screens on Lateral #Q were not working and caused some flooding. He said we removed the screens and will not replace them until we resolve the problem. Some modifications will probably be necessary, including the addition of an emergency generator and possible bypass or overflow facility.

Engineers estimates of the cost for the Water Treatment Plant and Pipeline Contracts were \$140,000,000. The bids came in at \$107,000,000. He said the cities and the District are thrilled with the bids. In addition to the bids, additional costs of approximately \$17,000,000 for the following will be added to the amount of the deposit required from the Cities. They include: Construction Contingency, Construction Management, Testing, Public Outreach, equipment not provided in the various contracts and other miscellaneous costs.

Stroud met with Tom Flinn and Tom Gau of San Joaquin Public Works Department. He said we are making progress with them.

The Operating Committee will recommend hiring Black & Veatch to perform Construction Management for the Water Treatment Project.

The Cities must have the funds deposited with the District no later than May 13, 2003.

Stroud said he has had inquiries, regarding water purchases from Stockton East Water District, Central San Joaquin Water Conservation District and Oakdale Irrigation District. He said the latest snow survey estimates 542,000 acre feet, 271,000 for SSJID.

Relative to retail power, Chevron should have the Strategic Plan, and Operating Plan by mid April. District Counsel Emrick said he, along with Steve Felte of Tri-Dam and Chris Kiriakou, met with NCPA regarding purchasing Tri-Dam power and selling power to SSJID should we enter the retail power business. He said he felt encouraged after meeting with NCPA.

District staff met with the City of Manteca relative to a Master Storm Agreement. He said we have consensus on most of the Agreement. However, the City is concerned over the amount of costs they will have to pay and feels the property taxes they contribute are more than enough to cover any costs.

Stroud reported on the following meetings:

March 3rd met with Stanislaus County Parks and Recreation about plans to drain Woodward Reservoir, possibly for two winters to complete the installation of the intake structure and pipeline. They did not indicate it would be a problem, but have some concern with the loss of revenue. Work on determining Woodward's public carrying capacity and preparing for construction of the needed improvements are underway.

March 7th met with Congressman Dennis Cardoza along with Directors Haworth and DeGroot, and General Counsel Emrick. He said the meeting was successful.

March 12th scheduled for District wide safety meeting.

March 18th will testify for the City of Merced in court.

March 19th LAFCO meeting for Special Districts representation on the LAFCO Board. Need one elected official to attend. Vice President DeGroot said he would attend the meeting.

April 25th River Group Committee Meeting. Stroud said the March 14th meeting is cancelled.

April 29th Retail electric plan for public and board. May 13th is the date the Board will be asked to make a decision. He reported we are paying \$50,000 per month to Chevron until a decision is made.

He said some major concerns, which have caused the delay, are: Exit fees; PG&E request for authority to undercut our price; and the rate reduction granted to Edison.

May 7 through May 9 is the ACWA Conference in Tahoe.

Vice President DeGroot asked for Directors comments.

Roos asked if Congressman Cardoza signed the anti war petition. No one knew.

Kamper asked about setting a date for dedicating the Northwest SIDE reservoir. Stroud said he would look into it.

There being no further business to come before the Board it was moved by Kamper, seconded by Roos, and unanimously carried to adjourn to March 25, 2003 at 9:30 a.m.

ATTEST:

John Stein, Assistant Secretary