

Manteca, California
March 13, 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 ROOS
ABSENT: KUIL

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

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

Holbrook asked for public comment. There being no public comment, the Board was asked to consider the following Consent Calendar Items.

CONSENT CALENDAR

- A. Warrants of \$517,098.22 and February payroll of \$331,190.00.
- B. Regular Board Meeting Minutes of February 28, 2012.
- C. Approve Transfer Agreement with Kenneth Palmer & Patsy Palmer for the transfer of Lateral We-156dd to the Palmers.
- D. Authorize signature of Contract Amendment with David's Engineering for previously approved Engineering Services as part of the Flow Measurement Plan. Director Holmes questioned the increase of cost from the last estimate given the Board. Shields asked that this item be tabled until next meeting.
- E. Authorize signature of Amendment to Service Abandonment #727 for Walter & Elizabeth Dei Rossi - APN 203-220-55. Bologna said that the service valve will be replaced by the landowner.

Motion by Roos, seconded by Holmes to approve the Consent Items as presented excepting Item D, which will be tabled until March 27.

PASSED AND ADOPTED on this 13th day of March, 2012, by the following roll call vote:

Ayes: Kamper Holmes Holbrook Roos
Absent: Kuil

President Holbrook announced the following changes to the Action Calendar; Item 2, "Approve contracting with Stantec for follow up services on Division 9 Project", is being tabled until March 27 and Item # 6 Discussion and possible action concerning measures to address water shortage during 2012 Water Season, will be addressed in its place.

ACTION CALENDAR

Item #1, Division 9 Update. Todd Kotey, Project Manager and Jeff Shaw, Field Manager from Stantec addressed the Board. The Monthly Construction Status Report for February was handed out. Todd reported that the project is in the testing and startup mode. They are going to each turnout site and running through a sequence. As of this morning, 19 of the 55 units will get authorization to hook up. To date, 30 of the 76 farmers in the project area have turned in paperwork to connect to the system. Jeff reported that they are hopeful that by week's end all the properties will be ready to be connected. Todd reported that the East basin connections will be manually operated until

the telemetry system is completed. All the pumps will be installed this week as well. Todd and Jeff agree that things are coming together.

Item #6 Discussion and possible action concerning measures to address water shortage during 2012 Water Season. Jeff Shields told the Board staff needs direction concerning the following issues: the start date for 2012, what to do about tier 2 customers and what or if there will be changes made to the rotation schedule. Shields told the Board that OID is looking at hiring a temporary employee to act as a “water cop”, they are considering increasing fines for illegal water use and they are adding \$1,000,000 to their budget to accommodate the anticipated increased use of deep well pumps. Steve Emrick went over the water supply numbers and reported forecast numbers from the Bureau. He said that using conservative numbers he feels confident in asking the Board to base their decisions on having 165,000 AF for irrigation from Woodward, which is 20% less than expected demand this year. Holmes said he thinks we should start water on the 19th of March, keep Woodward’s level at 205, schedule the first runs at 14-28 day intervals and later in the season change to 12-24 day runs. Director Roos asked if we could buy water from Stockton East. Shields said that it was not likely. Kamper said he agreed with Holmes ideas but was wondering if we could delay the start of water season 2 days for every quarter of an inch of rain we get. Holmes said that due to the very dry soil conditions we currently have it would take a lot more than a quarter of an inch of rain to benefit. Joe Catanzarite addressed the Board concerning the start of water season. He reminded the Board that it is not feasible to change the start of water season dependent on storm amount because of scheduling issues including staffing that are part of the water start up. There were several landowners in the audience. President Holbrook asked if they had any comments. Mike Brown said that if the Board wanted to delay the start of water maybe it could be based on the type of crop that is grown. Holbrook responded that watering only certain crops would not save water and is not a good option. Woody Van Vuren asked if we get more rain, if there is still time to add to our water supply for the summer. The Board confirmed that more rain could mean more supply. Louie Tallerico asked if anyone knew if it was better for tree crops to be stressed now when they are setting their crop or later when the crop is maturing. He said he thinks it would be better to stress them later in the growing season. Gary Darpinian said that he harvests his peaches in July. He said he needs water now but could stop irrigating after he harvests. President Holbrook said that the Board will keep looking at the situation and make adjustments as necessary. He thanked the landowners for their attendance and input in the discussion. He asked them to come back to future Board meetings. Leroy Cardoza asked if farmers took water in the winter run, was that still going to count against the total number of runs this season. Holbrook said that is subject to change. Rick Riella asked if property owners can allocate water from one property to another. Holmes answered that water transfers are doable but we need to know up front. The Board concluded the discussion by making the following findings:

- 1). Declared there is a water shortage for Water Season 2012
- 2). The start of Water Season 2012 will be Monday, March 19.
- 3). Water Season will start on 14-28 day rotations and remain so until further Board action.
- 4). Tier 2 customers will not receive water this season
- 5). Stressed the importance of early conservation.
- 6). Time limits/ transfers and deep wells issues will be determined at a later date.

Motion to adopt the above measures was made by Holmes, seconded by Roos and unanimously passed.

Item #3, Approve replacement of two way radio system. Frank Avila presented this request. He explained that 15 of the District’s two way radios are outdated and cannot be reprogrammed to comply with FCC rules. Three quotes were obtained to replace them. Rays Radio came in the low bidder at \$12,530.58 for 15 Motorola radios including programming and installation. Motion by Holmes, seconded by Kamper to approve purchase of 15 two-way radios, from Rays Radio, at a cost of \$12,530.58 including installation and programming. Motion passed unanimously.

Item #4, Approve modified job description for Executive Secretary position. Don Thornburg presented this item. He asked the Board to approve a revised job description for Executive Secretary, authorize staff to hire an external candidate at a rate up to step III, or an internal candidate up to step V based upon seniority and current rate. Motion

by Holmes, seconded by Kamper to approve a revised job description and rate as presented. Motion passed unanimously

Item #5, Authorize solicitation of proposals to perform wage survey. Don Thornburg also presented this item. He reminded the Board that the current MOU stipulates that the District contract for a comprehensive classification and compensation survey to be completed by the end of the third quarter of the year in which the contract expires. The current contract will expire at the end of the year. Thornburg asked that the Board authorize staff to begin soliciting proposals from three consultants, for a salary and benefits survey. Motion by Holmes, seconded by Roos to authorize staff to commence process of soliciting proposals from three consultants and submit letter to the union inviting advisory input as stipulated in the MOU. Motion passed 3-1 with Kamper voting no.

Thornburg was asked if he had anything to report under staff reports. Thornburg reported the following:

- Ron Gee has been named the new Shop Supervisor. He is replacing Ray Simons who is retiring in April.

- Will be posting the welder/equipment mechanic position which is vacant due to Ron Gee's promotion.

- Will be attending a Safety Claims meeting on March 27

- The District has recently received a \$10,000 credit from SDRMA

Item #7, Consider approval of Joint Powers Agreement for San Joaquin Tributaries Association. Item was tabled until later date.

Item #8, Consider participation in funding for Delta Coalition. On January 24 the Board adopted Joaquin County's "Resolution On Land Use, Water and Other Delta Related Issues". The Board adopted the Resolution with the addition of a provision #7 stating, "All actions are to be consistent with the principles of California law governing water rights." Participation in the coalition involves funding which is calculated on a volume basis. The District's contribution is \$3,000 a month for the balance of the year. The money will be used for the retention of political representation to protect District water rights. Jeff recommends funding on a month to month basis not to exceed three months. Motion by Kamper, seconded by Roos to approve funding per Shields recommendation. Motion passed unanimously

Item #9, Authorize staff to execute documents in connection with Frankenheimer and Woodward Hydroelectric Project. Don Battles presented this item to the Board. On May 24, 2011 the Board authorized the General Manager to sign PG&E Affidavits requesting cancellation of our existing small hydro contracts with PG&E for Frankenheimer and Woodward Projects. The first phase of this cancellation is underway with completion of a Small Generator Interconnection Agreement (SGIA) with PG&E for each project. The Board is being asked to give the General Manager authorization to sign the SDIA for Woodward and for Frankenheimer. In addition to the SDIAs, Battles is asking that the Board authorize the GM to sign additional documents with CAISO and PG&E regarding this arrangement. Motion by Kamper and seconded by Holmes to authorize the GM to sign the SGIA's and the additional documents as they develop. Motion passed unanimously.

Holbrook asked for Battles Utility Systems Director report. Battles said he was pleased to report that the bushing program at the solar farm was complete. He said that over 700 bushings had been changed out.

Item # 10. Consider approval of Water Treatment Plant budget for fiscal year ending June 30, 2013. Bere Lindley and Bill Hubkey presented this item. The draft budget was presented to the Operations Committee on February 13. The proposed revenue budget is \$6,609,902. Capital expenditures are budgeted for an additional \$1,762,628 with billings of \$923,000. Cities gave their input at that time and the final budget, as presented here, reflects that discussion. Motion was made by Kamper, seconded by Holmes to approve the Water Treatment Plant budget for Fiscal Year ending 6/30/2013. Motion passed 3-1 with Roos voting no.

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

- Operators are half way thru the quarterly acid cleans.
- Staff will flush the upper intake transmission line this week in anticipation of shifting from the lower outlet to the upper inlet.
- The CDPD annual tour of the Plant was cancelled and will be rescheduled soon.
- Interviews were conducted for two Plant operator positions. Candidates were selected and have been submitted to the HR department for processing.
- Plant staff will undergo Pulmonary Function Testing (PFT's) tomorrow.

President Holbrook asked for Bere Lindley's Manager report. Bere reported the following:

- The Annual audit is ongoing. The Auditors are 85% done. On April 24 they will present the audit to the Board.
- New Purchasing Policy is in place.
- Financial reports and monthly statements will be presented to the Board. Noted that the auditor requests that the minutes show that the Board received the Financial reports.

President Holbrook asked for Directors Reports:

Director Kamper asked if the Encroachment Agreement with Van Elderen had been taken care of. Bologna told him that the document has been signed.

Director Holmes reported the following:

- Attended the Tri-dam sponsored dinner in Sonora.
- Wished to thank the Water Department in advance for the challenging water year ahead.

Director Roos reported that according to his sources in Sacramento, the forecast is for 2" of rain by week's end.

Director Holbrook reported the following

- Attended the dinner in Sonora along with Holmes.
- Remind the Board that the next meeting will be held on Monday, March 26. Also the first meeting in May will be held on Monday the seventh.
- Noted that Tri-Dam meetings in June & July have also been rescheduled.

President Holbrook then called for Managers Reports:

Communications Coordinator, Troylene Saylor reported the following:

- 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.
- Fox 40 interviewed Jeff on Monday. The interview will be in the Brown Caldwell Newsletter.
- Attended the Manteca Tea Party meeting last Thursday night. A member of the Common Sense group made a presentation.
- Barn Dance for the Boys and Girls Club will be held on March 23rd.

Sam Bologna, Engineering Department Manager reported the following:

- 2012 Water Conservation Program update:
 - We have received 86 applications to date.
 - \$815,000 is committed
- Preparing an RFP to go out for the district's Ag Management Plan.
- UPRR plans are being reviewed.
- Water Line Project to the District's Corporate Yard has hit a snag. Will need to go to the next step.

Jeff Shields, General Manager

- Handed out an article from the Sacramento Bee, written by Dan Morain, "San Bruno blast puts PUC chief in spotlight."

- Handed out Tri-Dam Water Report
- Met with CMUA and Kevin Fondse regarding the Ag water conservation program. Mr Fondse has installed significant improvements on his property including soil monitoring and a weather station, drip system and retention pond. Kevin commented that he was really pleased to be “partnering with SSJID to improve ag-efficiency”.
- Still working to set up a meeting with Pablo Arroyave, Mike Finnegan and Don Glaser and the Board.

General Counsel announced the Board would be discussing Items 12 a., b. & c. under Closed Session.

- CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- 2 cases
- 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
- CONFERENCE WITH LEGAL COUNSEL - Real Property Negotiations
Property: Water
Negotiating Parties: SSJID and SEWD
District Negotiator: General Manager
Terms: Price and terms of payment

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 Monday, March 26, 2012.

ATTEST: _____
Cheryl Burke, Executive Secretary