

Manteca, California  
March 22, 2005

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:           KAMPER       ROOS       SCHULZ       KUIL

ABSENT:     DEGROOT

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton, Utility Systems Director Shields, and Water Treatment Systems Manager Hubkey.

President Roos called the meeting to order and asked for public comment.

Ms. Jeanne Johnson of Manteca addressed the Board. She read the following letter addressed to the Board President.

“Dear President Roos:

On behalf of the 1,302 fellow petition signers who live and work in our community, I ask the South San Joaquin Irrigation District (SSJID) to abandon its efforts to takeover PG&E’s electric facilities.

I commend SSJID for trying to lower monthly electric bills, but would encourage you to work with PG&E to find other options that are less risky and will allow the Board to stay focused on doing what it does best – water delivery.

I’m concerned that residents will not have the ability to vote directly on taking PG&E’s facilities or the millions-of-dollars in bonds that SSJID will have to sell in order to enter into the energy delivery business. In lieu of an election, these petitions should serve as a guide on where this community stands – opposed to the cost and the risk associated with a takeover.

Before you decide to spend additional taxpayer money on this idea, I hope you will listen to the voices of these 1,302 petition signers.

Thank you for your time.

Jeanne Johnson”

Ms. Johnson delivered a box with the 1,302 signers and a copy of her letter to the Board. After President Roos thanked Ms. Johnson for her comments, she returned to her seat in the audience next to a representative from PG&E.

Mike Silva, Mitchell Engineering addressed the Board. The gate at Woodward is in, and has been inspected by Rodney Hunt, the gate supplier. He asked if we had a copy of the report filed by them. Emrick said no, we did not. Director Kamper asked Mr. Silva if he could provide a copy of the report for the first gate. Mr. Silva said he never got a report. Director Kuil asked if they had sent a letter requesting a report, and if so to provide the Board with a copy of that letter. Mr. Silva said he didn’t know if they had or not, but he would check. Silva asked that the funds being held for the gate, and the undermined pipe be released.

President Roos asked the Board to consider approving the Consent Calendar items as presented.

#### CONSENT CALENDAR

- A. Approve SSJID Warrants of \$1,166,501.25.
- B. Approve Regular Board Meeting Minutes of March 8, 2005.

- C. Accept Notice of Completion for work on the Lateral "Q" canal rehabilitation Project (SSJ-2003-3).

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

PASSED AND ADOPTED this 22<sup>nd</sup> day of March 2005 by the following roll call vote:

Ayes:	Kamper	Roos	Schulz	Kuil
Noes:	None			
Absent:	DeGroot			

Approve the purchase of two electrical transformers for the Water Treatment Plant. Stroud said it takes 12 weeks from the date of order of a new transformer until delivery. Since the plant must run continuously, we need to have spares on site. Cost for the two transformers is \$94,504 plus tax and freight. Roos said he thinks the electric utility should pay for the transformers. Shields said that utilities do not supply backups. Stroud and Shields recommended approving. Motion by Kamper, seconded by Kuil, to approve purchasing two electrical transformers as requested. Motion Carried, 3 Ayes, 1 No, with Director Roos voting No.

Bill Hubkey, Water Treatment System Manager gave his report: He said we brought two new employees on this week. We have several applications for the remaining positions. Said they may start testing the plant next month.

Consider approving the purchase of a Bobcat, a Forklift, an electric cart, and an aerator for the Water Treatment System. Hubkey recommended accepting the low bids as follows: Bobcat Central for the Bobcat, 62,480.99; Watts Equipment Company for the Forklift at \$23,821.00; Cabral for the Electric vehicle at \$10,857.43; and Brown Bear for the aerator at \$17,218.00. Motion by Kamper, seconded by Roos, and unanimously carried, to approve the purchases as recommended by Hubkey.

Consider approving, and authorizing the General Manager to execute a Contract Amendment with Panagraph, Inc., to provide services to the retail electric project. Stroud asked the Board to increase Panagraph's contract by \$40,000. After discussion the following action was taken. Motion by Kamper to approve the \$40,000 increase as requested. Motion died for lack of a second. Motion by Kuil, seconded by Schulz, to approve increasing the contact amount by \$20,000. Motion carried, 3 Ayes, 1 No, with Director Kamper voting No.

Consider approval of Stop Notice Release Bond for Mountain Cascade, Inc. Emrick said that Mountain Cascade has posted a surety bond to obtain a release of the funds, which is allowed under the Civil Code. If we accept the bond we will no longer be required to hold current funds in the amount of, \$41,343.75. Emrick recommends approval. Motion by Kuil, seconded by Kamper, and unanimously carried, to approve the Stop Notice Release Bond for Mountain Cascade, Inc., as requested.

Consider authorizing acceptance of easement from Nancy Abdallah. Emrick recommended the Board President and Secretary to accept the access easement from Nancy Abdallah. Motion by Schulz, seconded by Kuil, and unanimously carried to accept the easement from Nancy Abdallah.

General Manager's report.

Ground Water Banking Coordinating Committee Meeting tomorrow in Stockton at 10:00 a.m.

March 29<sup>th</sup> at 10:00 a.m. the education committee is meeting.

March 31<sup>st</sup> the Farm Bureau is sponsoring a forum for presentation by PG&E and SSJID.

Conflict of Interest Forms are due April 1<sup>st</sup>.

Pre-registration for the ACWA Spring Conference is due April 12.

The Worker's Comp Insurance Pool meeting last week where all participants were to attend, Tuolumne PUD and SSJID were the only agencies that attended.

2005 Water Season has been postponed indefinitely due to rain.

VAMP forecast for 2005 shows we may not have to provide any supplemental water.

Ag Waiver - San Joaquin County Coalition received a list of 17 pages of chemicals to be tested for next year. The Coalition is reviewing the list to try to remove any that are not used in this area from the testing list.

Woodward Reservoir may face an increased threat from wild fires because the cattle are no longer allowed to eat the grass around the reservoir due to the Water Treatment Plant project. We are getting bids to cut a 20-foot firebreak.

Insurance for the Water Treatment Plant per the Cities request, Dave Ward, Insurance Agent for the District, is looking for an umbrella policy in excess of \$100,000,000. No insurance companies have been willing to write the requested amount at this time.

Utility Systems Director report:

Night Ditchtender, Bob Geer Sr., hit a PG&E power pole laying across the road at approximately 3:45 a.m this morning. He was not seriously injured, however he was forced to remain in his truck for 2 hours until PG&E arrived. As a precaution, he was transported by ambulance to the hospital.

The APPA Conference is in Anaheim, June 18-22, 2005. Hotel reservations have been made, but will need to know who will be attending by May 10.

President Roos called for Directors reports:

Schulz asked about the Tri-Dam Authority financing issue. Stroud said at this time we have no new information.

Roos asked why a roof on the compressor building at Woodward was necessary when originally a fence enclosure was planned. Stroud said that when it was designed, the designers didn't realize it was in an isolated location. Park Rangers advised we increase the protection.

President Roos called a recess for lunch.

Upon returning from lunch, President Roos called the meeting to order and asked the Board to go to closed session relative to litigation matters. General Counsel Emrick reported the Board will discuss items b. and c. in closed session

b. Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9 (c). One case.

c. Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. Two cases.

Upon returning from closed session General Counsel Emrick reported there was no reportable action taken in closed session.

There being no further business to come before the Board, it was moved by Schulz, seconded by Kuil, and unanimously carried to adjourn to April 12, 2005 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary