

Manteca, California  
April 8, 2003

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: DEGROOT                      KAMPER                      SCHULZ

ABSENT:      ROOS

Also present were Secretary/Manager Stroud, General Counsel Emrick, and District Engineer Gilton.

President Schulz called the meeting to order and asked for public comment. There being none he asked the Board to consider approving the Consent Calendar items as submitted.

**CONSENT CALENDAR**

- A.      SSJID Warrants of \$426,858.07, and Payrolls of \$148,351.65.
- B.      Regular Adjourned Board Meeting Minutes of March 25, 2003.
- C.      Adopt Resolution 03-07-Q, Disposal of District Property.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT**

**RESOLUTION 03-07-Q**

**AUTHORIZING THE SALE OF PROPERTY**

**NO LONGER NECESSARY FOR DISTRICT PURPOSES**

**WHEREAS**, the District may dispose of equipment it finds no longer necessary for District purposes; and

**WHEREAS**, staff has removed and replaced the following equipment (inventory tag 001057 - Wyse Terminal, inventory tag 001056 - IBM RISC System/6000 Unix Server, inventory tag 001060 - Black Box rack-mount Appgen Server, inventory tag 001059 - View Sonic monitor and inventory tag 001058 - Black Box rack-mount Windows NT server); and

**WHEREAS**, the following list of District property is not tagged but has also been determined as

surplus equipment: 6 IBM clone PC's, 1 Sony 17" monitor, 3 MGC 15" monitors, 1 Magnavox 15" monitor, 1 IBM 13" monitor and 1 Cannon BJC-2000 ink jet printer; and

**WHEREAS**, determination has been made that the above mentioned equipment is not in working condition for District purposes and it is not economical to invest the effort to upgrade.

**THEREFORE, BE IT RESOLVED** that the District finds the equipment surplus and authorizes staff to properly dispose of the equipment.

**PASSED AND ADOPTED** this 8<sup>th</sup> day of April 2003.

D. Adopt Resolution 03-08-H, in Memory of Lloyd Haworth.

**RESOLUTION NO 03-08-H  
OF THE  
SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
IN MEMORIAM OF LLOYD N. HAWORTH**

**WHEREAS**, Lloyd N. Haworth served on the Board of Directors from 1989 until his untimely passing, March 9, 2003; and

**WHEREAS**, the Directors of South San Joaquin Irrigation District wish to express their sadness at the death of their fellow director, colleague and friend; and

**WHEREAS**, as Director of the South San Joaquin Irrigation District, Lloyd Haworth was dedicated to carrying out the primary purpose of the District to provide irrigation service to the District's farmers; and

**WHEREAS**, Lloyd Haworth had a great appreciation for the vision of the founders of the District from which all its customers continue to benefit, and was dedicated to planning for the District's future; and

**WHEREAS**, as part of his vision for the future of the District, he strongly supported the domestic water treatment plant to serve the communities of Manteca, Escalon, Lathrop and Tracy; and

**WHEREAS**, Lloyd Haworth served on the Joint Boards responsible for the Tri-Dam Project hydroelectric generating projects, understood the importance of electricity in the District's past and present and was an advocate for extending the benefits of the hydroelectric projects to all District residents; and

**WHEREAS**, he was an effective leader at District Board meetings and will be remembered for his ability to develop consensus among Board members, his concern for the proper management of public funds and his skepticism of the value of consultants, engineers, attorneys and most others who do not make a living from farming; and

**WHEREAS**, Lloyd's friendship, humor and love of life will be greatly missed,

**NOW, THEREFORE BE IT RESOLVED** that this expression of appreciation be sent to Mrs. Zoe Haworth, that we may extend to her, to his sons Larry and Loren, to his daughters Lisa and Trina and to the other members of his family our sincere sympathy and heartfelt condolences.

**PASSED AND ADOPTED** this 8<sup>th</sup> day of April 2003.

Motion by Kamper, seconded by DeGroot, to approve the Consent Calendar Items as submitted.

**PASSED AND ADOPTED** this 8<sup>th</sup> day of April 2003 by the following roll call vote:

Ayes:	DeGroot	Kamper	Schulz
Noes:	None		
Absent:	Roos		

Consider approval of proposal from Public Finance Resources to advise District on investment of South County Water Supply Development Construction Funds of approximately \$125,000,000. Emrick told the Board we asked Ken Martin of Public Finance Resources, to work with us to select a firm to handle the investment of the construction funds from the cities of Escalon, Lathrop, Manteca, and Tracy. He said LAIF which is currently yielding 1.93% doesn't have sufficient room to invest these funds, and the rate we are currently receiving from CAMP is 1.20%. He said because of the District's investment responsibilities for a fund of this size, the District needs outside expertise to work with staff in choosing and managing the appropriate investment. At our request, Ken Martin submitted a proposal for his services. The proposal is for a monthly retainer in the amount of \$2,500 to be charged beginning the end of April 2003. This fee includes 20 billable hours per month. Hours will be billed at the rate of \$165.00 per hour for senior advisor work and \$75.00 per hour for associate work for any hours beyond 20 in any given calendar month. Mr. Martin addressed the Board. He stated he will analyze the proposal's, make monthly reports and make sure funds are invested where there is no risk to the principal, and are invested per the District's Investment Policy. He will work with the District's Bond Counsel, Doug Brown, to make sure reporting requirements met. Emrick recommended that the Board authorize the General Manager to enter into an Agreement with Public Finance Resources per the terms stated above. Emrick said the Agreement, as with all agreements the District enters into with consultants, will have a cancellation notice by either party.

**Motion by DeGroot, seconded by Kamper, and unanimously carried, to authorize the General Manager to execute an agreement with Public Finance Resources per the terms stated above.**

Consider selecting a committee to recommend replacement of Director for Division 4. Stroud

said appointment of a subcommittee to interview potential candidates and make a recommendation to the Board should be made. Director Kamper said he recommends that Directors Schulz and DeGroot be appointed to the committee. After discussion Board President Schulz appointed Director DeGroot and himself to the committee. Assistant Manager Stein was asked to contact the candidates and ask them to submit their resumes. No action was taken.

Consider authorizing the General Manager to execute an Agreement with Creative Analytics Consulting for Arbitrage Rebate Calculations for 5 years, beginning May 1998 through May 2003. Stein said Creative Analytics Consulting just completed the calculations for May 1995 through May 1998 at a cost of \$3,000 or \$1,000 per year. The first two years, May 1993 through May 1995 was done by Grant Thornton at a cost of \$3,000 or \$1,500 per year. Stein recommended approving the Agreement with Creative Analytics Consulting to perform the required arbitrage calculations at a cost of \$5,000 for five years.

**Motion by Kamper, seconded by DeGroot, and unanimously carried, to authorize the General Manager to execute an Agreement with Creative Analytics Consulting to perform five years of arbitrage calculations at a cost of \$5,000.**

Consider District participation in LAFCO. Stroud said in 2000 the legislature passed a bill to allow Independent Special Districts 2 seats on the LAFCO Board. The cost proposed by San Joaquin County to be allocated to Special Districts, for the local LAFCO in San Joaquin County, is approximately \$40,000 per year. LAFCO has asked us to pass a Resolution requesting Special District Representation on the San Joaquin Local Agency Formation Commission. Stroud said he recommends not participating. Director DeGroot said it was his understanding when he attended meetings at LAFCO that even if you didn't participate you still had to pay. President Schulz asked General Counsel Emrick to look at the law and table the item until April 22<sup>nd</sup>. No action was taken.

Consider approving Resolution of Necessity, 03-09-P for the Water Treatment Plant Project. President Schulz opened the public hearing. Emrick said the Board is required to make certain findings, which are in the Resolution and recommends the Board approve the Resolution as submitted. Mr. Ronald Van Leachman addressed the Board relative to his property. He stated to the Board that he felt the compensation being offered was not sufficient because the appraisal assumed an incorrect zone for the property. Emrick responded that the information in the appraisal is the best information available and recommended that the Board approve the resolution. After discussion, President Schulz closed the public hearing, and the following action was taken:

**RESOLUTION NO. 03- 09-P**

**RESOLUTION OF NECESSITY OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT**

**TO ACQUIRE REAL PROPERTY FOR**

## SOUTH COUNTY SURFACE WATER SUPPLY PROJECT

**WHEREAS**, the South San Joaquin Irrigation District (SSJID) is an irrigation district formed pursuant to Division 11 of the Water Code commencing with Section 20510 and following; and

**WHEREAS**, SSJID has entered into a Water Supply Development Agreement with each of the cities of Manteca, Escalon, Lathrop and Tracy to construct, operate and finance a water treatment plant and related facilities to deliver treated water to the four Cities ( the “South County Surface Water Supply Project” or the “Project”), and

**WHEREAS**, SSJID certified a final environmental impact report and approved the Project on May 30, 2000; and

**WHEREAS**, the project involves the construction, operation and maintenance of a water treatment plant on real property owned by SSJID on Dodds Road in Stanislaus County and a pipeline and related facilities, turnout sites including underground storage facilities, pumping stations and other facilities as may be necessary to deliver the treated water to each of the cities of Manteca, Escalon, Lathrop and Tracy, on real property to be acquired by SSJID in San Joaquin County. The real property to be acquired by SSJID for the Project are described in the table attached to this Resolution as Exhibit A and are collectively referred to in this Resolution as the “Subject Land,” and

**WHEREAS**, acquisition of the Subject Land to be acquired for the Project is a necessary part of the Project; and

**WHEREAS**, Sections 22425 and 22456 of the Water Code authorize SSJID to acquire by eminent domain any property necessary to carry out its purposes; and

**WHEREAS**, Section 1240.010 of the Code of Civil Procedure permits the acquisition by eminent domain of property for public use; and

**WHEREAS**, SSJID has made offers to each of the owners of record of the Subject Land based on its determination of just compensation, in accordance with Government Code Section 7267.2; and

**WHEREAS**, notice has been properly given as required by and according to the provisions of Section 1245.235 of the California Code of Civil Procedure, and a public hearing has been held at which all persons whose property may be acquired by eminent domain as described in this Resolution and whose name and address appear on the last equalized County assessment roll have been given a reasonable opportunity to appear and be heard by the Board of Directors of SSJID, on the matters set forth in Code of Civil Procedure Section 1240.030; and

**WHEREAS**, a two-thirds vote of all of the members of the Board of Directors of SSJID is required for adoption hereof;

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of South San Joaquin Irrigation District makes the following findings:

1. That the public interest and necessity require the acquisition of the Subject Property as a necessary part of the Project.
  
2. That the Subject Property to be acquired and the Project to be developed are planned and located in the manner that will be most compatible with the greatest public good and the least private injury.
  
3. That the Subject Property is necessary for the proposed Project.
  
4. The offers required by Section 7267.2 of the Government Code have been made.

**LET IT BE FURTHER RESOLVED**, as follows:

1. That the General Counsel of SSJID is hereby authorized to institute and conduct to the conclusion an action in eminent domain for the acquisition of the Subject Property and to take such action as is necessary to accomplish the same upon direction of the Board of Directors of SSJID.
  
2. That the General Counsel of SSJID is also hereby authorized to obtain an order for prejudgment possession.
  
3. That the General Manager is authorized to enter into agreements to acquire the interests in the Subject Land described in this Resolution in lieu of eminent domain, and the President and Secretary are hereby authorized to accept deeds conveying such interests, in exchange for payment of the fair market value for the interests as determined by the District's appraisal and any such additional compensation as the General Manager determines in his discretion to be reasonable under the circumstances.

**EXHIBIT A**

APN	Property Owner		Take Area (SQ FT)	Take Area (Ac)	Type of Interest
197-020-28	Celli, et al.	Gene	11,091	0.25	Permanent Easement
206-120-13	Meneses		104,305	2.39	Permanent Easement
208-050-04	Machado	Donald	52,805	1.21	Permanent Easement

208-050-05	Azevedo	John	59,124	1.36	Permanent Easement
208-060-32	Azevedo	John	52,815	1.21	Permanent Easement
208-060-10	Meneses		3,109	0.07	Permanent Easement
208-060-27	Meneses		1,160	0.03	Permanent Easement
213-270-18	Leonard, et al.	Irma	102,087	2.34	Permanent Easement
213-320-01	Leachman	Ronald	32,511	0.75	Fee
252-080-02	Fornasero	Colleen	139,789	3.21	Permanent Easement

On a Motion by Kamper duly seconded by DeGroot, the foregoing Resolution was duly passed and adopted by the Board of Directors of the South San Joaquin Irrigation District this 8th day of April 2003, by the following vote:

**AYES :** DEGROOT KAMPER ROOS SCHULZ

**NOES:** None

President Schulz asked for Manager's and Directors' reports:

General Manager Stroud reported the following:

Relative to valves on the "C" line. 13 valves on C. Van Vliet's property are leaking. As called for in the signed Agreement, we informed her that she has a week to repair the remaining leaks. If repairs are not complete by weeks end the District will repair the valves at the property owners expense, using the deposit she put up to guarantee completion of the work.

The weekly Water Run Reports were handed out. Schulz asked why we were spilling water at the Escalon Spill. He said he had noticed this more than once. Stroud said he would look into it and report back to the Board.

It was reported that Cal Poly has looked at our Weir Program software and felt it was a better program than they had offered to us. They are in the process of integrating our program into theirs. If the end result will improve performance of the MDC, Cal Poly will provide new

software and assist with implementation at no cost to the District.

Reported that Walter Betchart, has resigned from the Spray Foreman position. Said we are looking at the possibility of training and certifying one or two current employees to replace him. In any event, recruitment will be needed to fill the one vacant position.

Relative to the Water Treatment Project we have not received a permit from the Corp of Engineers because Fish & Wildlife have not performed the necessary studies for the Corp to make a decision. We are still negotiating with San Joaquin County Public Works. Bids for construction of the project were scheduled for May 13<sup>th</sup>, but have been postponed, possibly until May 27<sup>th</sup> because the City of Manteca will not have their funds until May 15<sup>th</sup>.

Relative to water sales. Central is still interested in purchasing water at \$15.00 per acre foot. Stroud said they should have to pay at least our cost for water, which is approximately \$32.00 per acre foot. Kamper said he feels they should pay \$40.00. Stroud said that Tim O'Laughlin, OI's Water Counsel, is working on a water sale for around 30,000 acre feet at between \$100 to \$120 per acre foot. He said he would let the Board know when he heard from Mr. O'Laughlin.

Relative to the Xavier Dairy spill on Lateral "T" located on Lemon Road in Escalon. Louis Pratt of the State Water Quality Control Board is handling the investigation. An inspection of the "T" Line, initiated by a recent significant spill, revealed an 8" drain line, with no permit, tapped into the "T" Line that must be removed.

Relative to retail power, the Chevron Operations Plan Report is complete, but the Strategic Plan is still in rough draft form. Presentation to the Board will be on April 29<sup>th</sup>. The Operations Plan will be presented to the public, but the Strategic Plan will remain confidential. General Counsel Emrick reported that Paul Elias is currently working under the subcontractor authority granted to Chevron. He said he is going to put on the agenda for the 22<sup>nd</sup> of April for the District to approve an extension of the contract with Mr. Elias.

Secretaries Day is on April 22<sup>nd</sup>, and as we have in the past, the Board will be taking the District's Secretaries to lunch after the regular Board meeting on that day.

Stroud read the following Structure Permits into the record:

Steve Fisk, APN 229-110-08 to install sump with appurtenant sprinkler pump on private line off of Lateral "A" @ Station 170+/-.

Odell Scott, APN 249-150-23 to install two 24" valves on Lateral "T" @ Stations 2 & 4 +/-.

Schmiedt Family Trust, APN 226-110-02 to install four 36" valves on Lateral "W" @ Stations 285 & 290 +/-.

President Schulz asked the Board to consider approving District's 2002 Audited Financial

Statements. Terry Krieg, CPA, who performed the audit, presented it to the Board. He praised the accounting staff for their excellent work during the year. Assistant Manager Stein asked Mr. Krieg if the minimum amount set to capitalize items purchased by the District, which is currently \$2,500 could be raised to \$5,000. Mr. Krieg said it could, he said it is up to the Board to set the minimum for fixed assets depending on how much effort the Board wished to expend on controlling smaller items. He said many of his customers have more than \$5,000 and a few have less. He said we may wish to look at tracking computers, for example, at a lower capitalization level and raising the current minimum on other items. The Board asked that this be put on the agenda, and a listing of all items between \$2,500 and \$5,000 be prepared. After discussion the following action was taken:

**Motion by DeGroot, seconded by Schulz, and unanimously carried, to accept the 2002 Financial Statements and Audit as presented.**

Director's reports:

Schulz asked how much water the District will have to provide per the VAMP Agreement. Emrick said he thought it would be between 0 and 5,000 acre feet. He said as soon as we have a firm number we will report it to the Board.

President Schulz called for closed session relative to litigation matters, personnel matters, and labor update as follows: General Counsel Emrick said the Board will be discussing items a, b, and c, in closed session.

- a) Conference with legal counsel, existing litigation, Gov Code, S. 54956.9 (a). Four cases. 1. Delta Keeper vs. OID. 2. SSJID v. Laro Coal and Iron, California Co., Inc. 3. SSJID v. Hal S. Robertson. 4. SSJID v. Merlyn Eugene Petz.
- b) Conference with legal counsel, anticipated litigation, initiation of litigation, Gov. Code, S. 54956.9. Seven Cases.
- c) Conference with real property negotiator. Gov Code, S. 54956.8. Negotiators: Steve Long, Steve Stroud, and Steve Emrick. Property: APN's 213-280-06, 213-280-03, 213-280-10. Under negotiation: Price.

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

There being no further business to come before the Board it was moved by Kamper, seconded by DeGroot, and unanimously carried to adjourn to April 22, 2003 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary

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