

Manteca, California
April 8, 2008

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: HOLBROOK KAMPER KUIL SCHULZ ROOS

Also present were Secretary/Manager Shields, General Counsel Emrick, WTP Manager Hubkey, Communications Coordinator Saylor, Operations/Water Superintendent Morrow, and Utilities System Director Battles.

President Kuil 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 presented.

CONSENT CALENDAR

- A. Approval of SSJID warrants of \$818,585.57 and payrolls of \$302,104.73.
- B. Approval of SSJID Board Meeting Minutes of March 25, 2008.
- C. Authorize hiring Tap Master, Inc. to install water line taps at two locations in Manteca and one location in Tracy. Manteca, Tracy, and one location in Lathrop will pay all the cost involved for these installations.
- D. Accept and file Notice of Completion for work on the Joint Main Supply Canal by Beck's Enterprises.
- E. Accept and file notice of Completion for Ken Hill Estates Development Project on a portion of District's Lateral "Ya".

Motion by Director Holbrook, seconded by Director Schulz to approve the Consent Calendar items as presented.

PASSED AND ADOPTED this 8th day of April 2008 by the following roll call vote:

Ayes: Holbrook Kamper Kuil Schulz Roos
Noes: None

Consider approving consultant agreement with Moore Biological consulting regarding Woodward Reservoir. Emrick said per a phone conversation with the Enforcement Branch of U.S. Fish & Wildlife Service notifying us of the presence of nesting geese within the bed of Woodward Reservoir that may be protected by various federal and state statutes, specifically the Migratory Bird Treaty. We contacted Diane Moore, a biological consultant located in Galt, who advised us that the nesting season will soon be over, but that we will need to do some field work to be sure. So we contacted Nick Catrina, a local game expert who advised us to locate the geese by aerial survey using GPS equipment. He arranged for a helicopter and he, Ms. Moore and Ron Morrow did the aerial survey. Morrow said we flew the entire perimeter of the reservoir including inlets. We found one nest below the 210 foot elevation, at approximately 207.5 feet. We were at 203.1 and Ms. Moore said we could safely raise the level to 206.5, and the eggs should be hatched in 2 or 3 weeks and we can then fill the reservoir to 210. Emrick asked that the Board approve the Agreement with Ms. Moore, her hourly rate is \$140, and we capped the agreement at \$5,000. Motion by Director Holbrook, seconded by Director Kamper, to approve the Agreement with Ms. Moore as recommended. Motion Carried, Ayes 3, Noes 2, with Directors Kuil and Roos voting No.

Consider approval of Resolution No. 08-08-F, Engaging an Underwriter, Financial Advisor, and Reconfirming Engagement of Bond Counsel. Shields said we are looking at issuing bonds and securing payment of those bonds with property taxes. He said we have three projects, Solar Plant, Tulloch Generator, and a Pressurized Water Delivery System on Division 9. This is not saying we will issue the debt, only to engage the professionals to move us along when or if we decide to. Motion by Director Holbrook, seconded by Director Roos, to adopt Resolution 08-08-F.

RESOLUTION NO. 08-08-F

**RESOLUTION OF THE SOUTH SAN JOAQUIN
IRRIGATION DISTRICT ENGAGING AN
UNDERWRITER AND FINANCIAL ADVISOR AND
RECONFIRMING ENGAGEMENT OF BOND
COUNSEL**

WHEREAS, South San Joaquin Irrigation District (the “District”) has determined to finance the cost of certain capital improvement, including certain improvements to existing hydroelectric facilities, a solar energy project and a pressurized irrigation pipeline project.

WHEREAS, the Board of Directors desires to instruct Public Finance Resources, the District financial advisor, Stradling Yocca Carlson & Rauth, the District bond counsel (“Bond Counsel”), and Crocker Securities, the District senior managing underwriter, to prepare all necessary documents to implement the proposed financing for consideration by the Board of Directors at a future meeting;

NOW THEREFORE, BE IT RESOLVED, that Public Finance Resources, Crocker Securities and Stradling Yocca Carlson & Rauth are hereby authorized and directed to prepare all resolutions, financing documents, offering documents and other documents necessary to accomplish the proposed financing. Such resolutions and documents shall be brought back to the Board of Director’s for review and possible action prior to the execution thereof.

BE IT FURTHER RESOLVED, that the Board of Directors instructs Bond Counsel to include a pledge of the District’s shares of the San Joaquin County 1% ad valorem tax to secure the proposed financing.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

PASSED AND ADOPTED this 8th day of April by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Schulz	Roos
Noes:	None				

Consider authorizing increase in contract price for Conlin Fence Company and authorize payment of invoices. Emrick said he took over control of this agreement for the prior district engineer, Mike Gilton. He said Conlin was hired to fence the upper water shed at a price of \$608,000. He found one change order for \$62,000 for removal of Conte Property fences and signage. Additionally, Conlin has done concrete pads and fencing of wells on Borba and Prothers properties, \$207,000 was approved for this. He said we have two additional invoices, one for approximately \$38,000 and another for Storage at \$1,000 per month for approximately 3 years. We are waiting for a quote from Conlin to do the concrete and fencing on the fourth Borba well and a description of the remaining work before recommending approval of a revised budget. No action was taken.

Consider authorizing agreement with Masellis Drilling, Inc., Machado, Inc., and Conlin Fence Company for 4th Solar well on Borba’s property. Emrick stated Ron Morrow has a meeting tomorrow with the Borba’s to get the agreement signed with them. He would like approval to spend a maximum of \$69,000 for the fourth well. Kuil asked about 10 gallons per minute on this well and the generator in the Machado quote. Emrick said the 10 gallon requirement has been the same specification for the previous Borba wells and is what the well drillers are responsible to deliver. The generator is not part of the deal as the Board previously rejected that request. Once the well is completed we will pay the Borba’s \$10,000 and they will be responsible for maintenance of that well from there forward. Emrick asked the Board to approve the agreement subject to Borba’s signing it. Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried, to approve the agreement as recommended.

Consider approving revised construction agreement with SunTechnics for solar project. Shields said we initially approved a 1.6 MW solar array. Due to requirement to split to

two meters we have scaled it back to 1.0 MW. Original contract was for \$12,574,936 dated May 29, 2007. The new agreement is \$7,859,335. This is ongoing discussion regarding the revised number for the energy guaranty, which has to be resolved before there is agreement on the new contract. No action was taken at this time.

President Kuil asked Battles to give his report:

Battles said on the hookup of the solar to the WTP the latest delay is a result of Peter Harris leaving SunTechnics. We have asked the District's consulting electric engineer, Glenn Reddick, to head up the effort to obtain approval of PG&E for the interconnection. PG&E Engineers have all the information now to get the interconnection approved and he has indicated he will do all he can to move this project ahead.

Hubkey reported the following:

The response from GE was not too good. In fact we have not heard from them. Shields said actually, we had our meeting with GE on January 26th and they were going to re-price the Maintenance Agreement from V-2 modules to V-3 modules. I talked to them last week and they promised this by the end of the next day. Still nothing. Holbrook suggested we get together with others GE/Zenon V-2 plants. Shields said we are considering that, and will pursue it along with other options aggressively.

Reported that our operators have started acid cleans and are experiencing high decay rates which is a strong indicator of fiber leaks.

Sam Bologna and I met with the cities of Manteca and Tracy regarding the tap project. They want to get started as soon as possible.

Divers from Underwater Resources performed the Log Booms six-month maintenance. There is a problem with one cable and some lights. We requested bids for the cable and staff will repair the lights.

For the Operator in Training we received 270 applications and he is beginning to review them.

CDPH sent a letter covering their annual inspection. They asked we address five areas which we will do promptly.

Staff has repaired our Atlas Copco Screw compressor. We experienced above average repairs on this compressor. If we have any other repairs on this we will look at another brand.

Consider authorizing retaining a consulting engineer for new SCADA control for District and WTP functions. Shields said our SCADA systems are at full capacity. We need an engineer to help us design a new communications system. Said the two bids we got were \$10,280 and \$7,000. Director Holbrook asked if we checked their references. Shields said he was not sure but would find out. If not we will check references. Roos said he would like to see three bids. Shields said he agreed and will attempt to get additional bids.

Consider requests from SEWD and USBR to purchase water. SEWD has requested 5,000 acre-feet of water for its agricultural customers as a result of late repairs. Shields said SEWD's proposed delivery schedule is for the water to be spread over the entire season and question whether it is to make up for the repairs. The USBR sale should be available too later in the season. Emrick said we have not yet received the April 1 forecast and suggested that the Board may want to wait and see what our final allocation is and the District's agricultural needs are for the first several months of the season before making a decision. No action was taken.

Shields reported:

Attended and spoke at Ripon Grange meeting. Also present were Directors Kuil and Roos and District Counsel Emrick. It was a good meeting and we got support for our retail power.

Dolphin Group said a survey showed Prop 99 (Supported by the League of Cities) had 53% for and 27% against. Prop 98 (Supported by the Farm Bureau) 37% for and 41% against. These two propositions are on the ballot in June. If Prop 99 passes and gets one more vote than Prop 98, Prop 99 prevails. I support Proposition 99.

The Escalon Street Fair is in July. We will be there. Director Schulz said the Escalon Lions Club is in charge.

Handed out Delta Vision Opinion he got at the San Joaquin River Group Authority. Said we will have "Public Trust" used against us by others.

Said Cal Crush started work on the pile of concrete at the Ripon Spill. Ron McManus said they are doing a good job of keeping the dust down. Tom Haggard is the Project Manager.

Handed out 7 day water usage reports.

Said Administrative Assistant Day is in April. The Board usually take them out to lunch, however the 22nd we have to be in Oakdale at 1:30 p.m. for a Tri-Dam meeting. We will try to come up with something.

Director's reports:

Holbrook asked if there was any feedback on the drying system used at the Stockton Waster Treatment Plant. Shields said WTP staff is looking at using the system.

President Kuil called for closed session. General Counsel Emrick stated the Board will discuss items A, B, D, and E in closed session.

A. Conference with legal counsel, existing litigation. Gov. Code, S. 54956. SSJID v. LAFCo, Superior Court, San Joaquin County, Case No. CV 0302559.

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

D. Conference with Real Property Negotiator: Negotiating Parties: District and City of Ripon. District negotiators: District staff. Under negotiation: Terms for quitclaim of District's fee interest in Ripon's frontage road project.

E. Conference with Real Property Negotiator: Negotiating Parties: District & City of Stockton. District's Negotiator: General Manager and General Counsel. Under Negotiation: Price & Terms of Payment for Sale of Water.

Upon returning from closed session District 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 Director Roos, seconded by Director Schulz, and unanimously carried to adjourn to April 22, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary