

Manteca, California  
April 10, 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 KUIL HOLMES HOLBROOK

ABSENT: ROOS

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

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

Holbrook indicated that they would be moving Item F to the Action Calendar and moving Item #8 to #1. The Board was asked to consider the following Consent Calendar Items.

**CONSENT CALENDAR**

- A. Warrants of \$734,365.20.
- B. Regular Board Meeting Minutes of March 26, 2012.
- C. Approve the following Service Abandonment Agreements:

Director	APN	Owner	Acreage	Agreement #
Holmes	229-160-30	John & Kathleen Van Vliet	1.30	1645

- D. Adopt Resolution 12-05-I, Approving the Membership in the ACWA Joint Powers Insurance Authority.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
RESOLUTION NO. 12-05-I**

**RESOLUTION APPROVING MEMBERSHIP IN THE ACWA JOINT POWERS INSURANCE AUTHORITY, CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH BENEFITS AUTHORITY JOINT POWERS AGREEMENT, AND AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS**

WHEREAS, this Agency entered into a joint exercise of powers agreement (“HBA Agreement”) with the Association of California Water Agencies Health Benefits Authority (“HBA”) in order to pool its purchasing needs with other public agencies desiring to provide their employees with comprehensive and economical health and welfare benefits; and

WHEREAS, this Agency entered into a Health Benefits Memorandum of Understanding (“MOU”) to enroll in specific health programs and ancillary programs (“Existing Employee Benefits Coverage”) offered by HBA and agreed to abide by: (1) the HBA Agreement; (2) all rules and procedures established by HBA in the administration of the Agency’s Existing Employee Benefits Coverage; and (3) all underwriting, eligibility, and contribution requirements in Appendix A to the MOU; and

WHEREAS, certain public agencies have entered into a joint exercise of powers agreement (“JPIA Agreement”) with the Association of California Water Agencies Joint Powers Insurance Authority (“JPIA”) in order to pool their purchasing needs with other public agencies desiring to obtain comprehensive and economical public liability, workers’ compensation, unemployment, health, accident and/or dental, or property coverage; and

WHEREAS, JPIA is both qualified and authorized by the laws of the State of California to administer the Existing Employee Benefits Coverage to this Agency through JPIA’s Employee Benefits Program; and

WHEREAS, during a noticed special meeting held on February 6, 2012, the HBA Board of Directors unanimously voted to transfer all HBA operations and administrative functions to JPIA on or about July 1, 2012, and to pursue a merger of the two public agencies after which the HBA Agreement would be terminated; and

WHEREAS, pursuant to Article 22 of the HBA Agreement, the HBA Agreement may be terminated by the HBA Board of Directors subject to ratification by the written consent of three-fourths of the HBA Member agencies within 90 days of the HBA Board’s action, provided, however, that HBA and the HBA Agreement shall continue to exist for the purpose of concluding all functions necessary to wind up HBA’s affairs; and

WHEREAS, during a noticed regular meeting held on March 28, 2012, the HBA Board of Directors approved HBA Resolution 12-03-02: (1) electing to terminate the HBA Agreement pursuant to Article 22 of the HBA Agreement and, except as provided in clause 2 below, said termination shall become effective upon ratification by the written consent of three-fourths of the HBA member districts and agencies; (2) recognizing that pursuant to Article 22 of the HBA Agreement, HBA and the HBA Agreement shall continue to exist for the purpose of winding up and dissolving the business affairs of HBA, and acknowledge that the HBA Board of Directors is vested with all powers of HBA for doing the same; and (3) declaring that Resolution 12-03-02 shall take effect on April 1, 2012, thereby beginning the 90-day ratification period.

NOW, THEREFORE, BE IT RESOLVED that the Directors of the South San Joaquin Irrigation District hereby:

1. Agree that the JPIA Agreement and the HBA Memorandum of Understanding referred to in the recitals above are incorporated in this resolution by reference.
2. Approve this Agency's membership in the Association of California Water Agencies Joint Powers Insurance Authority.
3. Consent to join JPIA's Employee Benefits Program and acknowledge, represent, and agree that all terms and conditions of the HBA Memorandum of Understanding apply to the provision of this Agency's Existing Employee Benefits Coverage through JPIA.
4. Authorize and direct this Agency's General Manager to cooperate fully with HBA and JPIA in the execution of any other documents and in the completion of any additional actions that may be necessary or appropriate for the purpose of ensuring that this Agency's Existing Employee Benefits Coverage continues without lapse through JPIA.
5. Ratify the action of the HBA Board of Directors to terminate the HBA Agreement, to be effective as provided in Article 22 of the HBA Agreement.
6. Direct the Secretary of the Board of this Agency to immediately send a certified copy of this resolution to: Association of California Water Agencies Health Benefits Authority, 4600 Northgate Blvd, Suite 100, Sacramento, California, 95834.

PASSED AND ADOPTED by the Directors of the South San Joaquin Irrigation District this 10<sup>th</sup> day of April, 2012, by the following vote:

Ayes: Kamper Kuil Holmes Holbrook  
Absent: Roos

- E. Authorize General Manager to consent to request by Stanislaus County Parks and Recreation Dept. for a new concession and cement pad at Woodward Lake.

Shields explained that there was a concession building out there previously, but it was in bad condition. There will be no food preparation, only pre-packaged food. We will review the contract with the vendor to ensure that there will be language regarding controlling litter.

Motion by Kuil, seconded by Holmes to approve the consent items as presented.

PASSED AND ADOPTED on this 10<sup>th</sup> day of April, 2012, by the following roll call vote:

Ayes: Kamper Kuil Holmes Holbrook  
Absent: Roos

## **ACTION CALENDAR**

**Item #8**, Jim Glaser, Executive Officer for LAFCo presented an overview of the District applications that are currently before LAFCo.

The District has four applications:

1. Municipal Service Review
2. Expansion of the Sphere of Influence – to include all of Manteca
3. Annexation of 80 acre island within the District
4. Proposal to provide electric service

Municipal Service Review has two steps: 1) Workshop at a regular committee hearing, and 2) a noticed public hearing. The workshop was held on January 20, 2012. They will have the public hearing after the adoption of the subsequent EIR.

Annexation requires a public hearing which they cannot hold until the subsequent EIR is approved.

Next steps:

- Prepare responses to EIR comments. Decide whether EIR has to be recirculated.
- Prepare responses to Municipal Service Review
- Set the matter for hearing – could be three to four months, but will definitely be sometime this year.

The Board thanked Mr. Glaser for coming.

Motion by Holmes and seconded by Kuil to authorize additional deposit to LAFCo in the amount of \$50,000 to cover its outside attorney's fees. Motion passed unanimously.

**Item F**, Adopt Resolution 12-06-B, Issue Series 2012A Revenue Refunding Bonds. Jeff Shields introduced Doug Brown and Ken Martin. Doug Brown explained that this item includes all the documents necessary to approve refunding bonds and refinancing at a lower interest rate. The Resolution approves the form of the Purchase Contract, Official Statement, Continuing Disclosure Certificate, Escrow Agreement and engagement agreements with Financial Advisor and Bond Counsel in the form presented to the Board, and authorizes staff to make final changes and sign the documents at closing. Kuil asked if there was a limit to what the District can sell. Doug said yes. Holbrook asked where any noted corrections to the documents should be directed. It was decided they should give the changes to Steve Emrick. Holmes asked about the bond rates and what did they think the rate would be at the time of closing. Ken Martin indicated that it looked more favorable in the last several days and they would know better in a couple of weeks. Motion by Kamper and seconded by Holmes to adopt Resolution 12-06-B and authorize staff to sign the documents necessary for the transaction.

**RESOLUTION NO. 12-06-B**

**RESOLUTION OF THE SOUTH SAN JOAQUIN  
IRRIGATION DISTRICT AUTHORIZING THE ISSUANCE  
OF NOT TO EXCEED \$18,500,000 REFUNDING REVENUE  
BONDS AND APPROVING THE EXECUTION AND  
DELIVERY OF CERTAIN DOCUMENTS IN  
CONNECTION THEREWITH AND CERTAIN OTHER  
MATTERS**

WHEREAS, the South San Joaquin Irrigation District (the "District"), an irrigation district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"), proposes to undertake the refinancing of certain facilities; and

WHEREAS, this Board has determined that it is in the best interest of the District to cause refunding revenue bonds (the "Bonds") to be issued to effect such refinancing and to approve certain documents in connection therewith;

NOW, THEREFORE, the Board of Directors of the South San Joaquin Irrigation District does hereby resolve as follows:

1. The Indenture of Trust, in substantially the form attached hereto as Exhibit A and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President or Vice President of the Board or the designee thereof is hereby authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, as Special Counsel ("Special Counsel"), and approved by the officers executing the same, said execution being conclusive evidence of such approval.
2. The Board of Directors of the District hereby authorizes the preparation, sale and delivery of the Bonds in an aggregate principal amount not to exceed \$18,500,000 (except that such amount may be increased with the approval of the General Manager to provide for original issue discount to the extent that such original issue discount will result in a lower interest rate or yield to maturity with respect to the Bonds) in accordance with the terms and provisions of the Indenture of Trust.
3. The Purchase Contract between the District and Cantella & Co., Inc. (the "Underwriter"), in substantially the form attached hereto as Exhibit B and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The General Manager or the designee thereof is hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval; provided, however that in no event shall the principal amount of the Bonds exceed \$18,500,000 except as provided in section 2 above, nor shall the underwriting discount exceed 1% of the principal amount of the Bonds.

4. The preparation and distribution of the Preliminary Official Statement, in substantially the form attached hereto as Exhibit C, is hereby approved. The General Manager of the District or the designee thereof is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement and the President or Vice President of the Board or the General Manager or the designee thereof is hereby authorized and directed to execute, approve and deliver the Official Statement in the form of the Preliminary Official Statement which, upon execution as authorized below, is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval. The Underwriter is hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of any final Official Statement to all actual initial purchasers of the Bonds.

5. The Continuing Disclosure Certificate, in substantially the form attached hereto as Exhibit D and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President or Vice President of the Board or the designee thereof is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

6. The Escrow Agreement (Series 2008A), in substantially the form attached hereto as Exhibit E and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President or Vice President of the Board or the designee thereof is hereby authorized and directed to execute and deliver the Escrow Agreement (Series 2008A) with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

7. Union Bank, N.A., is hereby appointed to act as trustee under the Indenture of Trust.

8. The Engagement Letter with Bond Counsel in the form attached hereto as Exhibit F is hereby approved. The General Manager is hereby authorized and directed to execute said engagement letter.

9. The Engagement Letter with Financial Advisor in the form attached hereto as Exhibit G is hereby approved. The General Manager is hereby authorized and directed to execute said engagement letter.

10. The President or Vice President of the Board or the General Manager or the designee thereof and any other proper officer of the District, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture of Trust, the Purchase Contract, the Continuing Disclosure Certificate, the Official Statement, the Escrow Agreement (Series 2008A) and this resolution.

11. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture unless the context otherwise clearly requires.

12. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Directors of the South San Joaquin Irrigation District this 10<sup>th</sup> day of April, 2012, by the following vote:

Ayes: Kamper Kuil Holmes Holbrook

Absent: Roos

**Item #2,** Authorize renewal of licenses for SCADA Wonderware programs. Michael O’Leary and Frank Avila presented this item. Michael said the renewal includes the latest version of the program and support upgrades for one year. The cost is \$17,003.40, which would be split between the District Main Office and the Water Treatment Plant. Motion by Kamper, seconded by Kuil to approve the renewal of the licenses with Wonderware. Motion passed unanimously.

**Item #1,** Update on Division 9 Project. Todd Kotey, Project Manager and Jeff Shaw, Field Manager addressed the Board. Todd reported that the system is in “auto-mode” now. Last Friday there were some issues with the radio communications and when they had growers irrigating over the weekend, the pumps shut down at 2:00 a.m. because of the level of the pond. All issues have been addressed and corrected. Kamper asked why the pond level went down so low. Todd explained that Knife River had set the level at an elevation that would turn the pumps off sooner than it needed to be in an effort to be safe. It was set at about 4’ above the weir. They now have it set at 2’ above the weir. Jeff Shields told the Board that the project is 7 weeks over schedule, and although the project had a tight time frame, it is still under budget. He said that Stantec will be notifying Knife River of our calculation of liquidated damages today.

Holbrook asked for public comment. There were none.

**Item #3,** Authorize Quitclaim and Resolution 12-07-P to Mindi Denae Machado and Jeanine Nicole Winters. Engineering Department Manager, Sam Bologna, presented this item to the Board. Bologna explained that at the beginning of the Division 9 Project, staff acquired easements for spur lines where in some cases there were no existing District facilities constructed. This particular easement ended up not being necessary for the project. Motion by Kamper, seconded by Holmes to quitclaim the easement and adopt Resolution 12-07-P.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
RESOLUTION NO. 12-07-P**

**RESOLUTION AUTHORIZING THE CONVEYANCE BY QUITCLAIM  
OF DISTRICT EASEMENT**

**WHEREAS,** the SOUTH SAN JOAQUIN IRRIGATION DISTRICT, hereinafter referred to as

“District”, is the holder of AN EASEMENT FOR the Division 9 Spur Line H as shown on easement recorded on May 25, 2011 as Document Number 2011-063647 in the Official Records of San Joaquin County, hereinafter referred to as “Subject Property”, and further described in the attached Exhibit “A”, and

**WHEREAS**, Owner wishes for the District to Quitclaim its easement for the Division 9 Spur Line H as described in attached Exhibit “A”, and

**WHEREAS**, the District’s Board of Directors finds as follows:

1. The foregoing findings are true
2. The District's interest in the Subject Property easement proposed to be quitclaim deeded is no longer necessary for District purposes, and it is in the best interests of the District to dispose of that interest in accordance with terms of existing transfer agreement and
3. The proposed disposition of the District’s Easement in the Subject Property is categorically exempt under California Environmental Quality Act as Class 12 Project pursuant to 14 CA Adm. Code of Regulations 15112 since the surplus government property does not have significant value for wildlife habitat or other environmental purposes and the property is of such size and shape that it is incapable of independent development or use.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South San Joaquin Irrigation District hereby authorizes the President and Secretary execute on behalf of the District a quitclaim deed to Mindi Denae Machado and Jeanine Nicole Winters, Trustees of the Edward 2008 Trust dated April 2, 2008 and disposing of the District’s interest in the Subject Property on the terms described above.

PASSED AND ADOPTED by the Directors of the South San Joaquin Irrigation District this 10<sup>th</sup> day of April, 2012, by the following vote:

Ayes: Kamper Kuil Holmes Holbrook

Absent: Roos

**Item #4**, Authorize Encroachment Agreement for Verizon Wireless. Sam Bologna told the Board that Verizon Wireless is installing a tower in the area and a portion of the lines will be in the District’s easement. He explained that District staff had gone to the site and that the encroachment will not affect any District facilities located in the area. Verizon is also asking for 180 days notice from the District if the District decides to terminate the agreement. Emrick stated that this is reasonable considering Verizon would have to relocate their facilities. Motion by Holmes to authorize Encroachment and allow for 180 days notice to Verizon Wireless to terminate the agreement. Motion was seconded by Kuil. Motion passed unanimously.

**Item #5**, Request of Mohlers to use 1.4 miles of District's Lateral Vh for unscheduled irrigation using private well as water source. This item was moved to the April 24, 2012 agenda.

**Item #6**, Approve Amended Service Abandonment Agreement for Caleb and Heather Cox (APN 229-050-27). Sam Bologna informed the Board that this property signed off of District water in 1995. Trees were planted on this property about four years ago and they have been using District water to irrigate from the existing turnout structure without any apparent issues. However, staff has recommended that we conditionally approve the request for one season to evaluate the effect of irrigation on District facilities and determine the necessity for structure modifications. Holmes explained that the owner has micros and the ditchtender thought the property was eligible for water until he entered the property into the True Point program. Forrest Killingsworth, Associate Engineer, said that staff has inspected the facility but would like to take a closer look during the year. He doesn't believe that using the system as it is now will hurt the District's system although it is not to District's standards. Motion by Kamper to enter into a one year probationary Amended Service Abandonment Agreement pending further evaluation of the owner's system. Owner needs to install a flow meter within three weeks and is not eligible for the conservation program to help with the cost of the flow meter. Motion was seconded by Kuil and unanimously carried.

**Item # 7**, Continued discussion and possible action concerning measures to address water shortage during the 2012 Water Season. Shields addressed the Board and stated that the recent rain and snow pack has helped with the water supply for this year. The District currently has not filled Woodward Lake up and has kept it at an elevation of 205. The County has asked that the District raise the level to 210 with the anticipated rain this week. Shields suggested that the District go back to 10-20 rotations and remove all restrictions. Bob Verdegaal addressed the Board and said he has new trees and would like to irrigate for 1 hour a day. Joe Catanzarite, District Water Superintendent, stated he was not sure if they could accommodate him because they could end up spilling more water than Verdegaal was using. Kuil said that if he can be accommodated, he should. Holbrook said they would refer this issue to the Water Committee to see what can be done and would like to have this issue on the next agenda. Motion by Kuil to raise Woodward Reservoir elevation to 210, modify rotations to 12-24 until May 1, and then go to 10-20 rotations. Motion was seconded by Holmes and unanimously carried.

**Item #9**, Discussion and presentation with Mike Finnegan and Pablo Arroyave from the Bureau of Reclamation. Pablo Arroyave thanked the Board for having them. He stated that he is excited about the Division 9 Project and can't wait to see the finished product. Also stated that this is the first time they have partnered with NRCS on a project. Mike Finnegan also thanked the Board and said he is involved in the New Melones operations and doesn't believe the District will have any issues with water supply this year. Shields said that the District is not allowed to attend the Stanislaus Operating Group meetings and wondered if there was something the District could do to be able to attend. Finnegan stated that the Reclamation believes the District should be represented at the regular meetings. Shields also asked about the accounting process the Reclamation uses per the 1988 Conservation Agreement. He stated that if it had stayed dry the District would be short 40% and we should be able to use the conservation account to come up to full amount. When Shields contacted the Reclamation they could not tell him how much was in

the account, or what the process was for finding out. Finnegan said he will work with Steve Emrick and the Board on those issues. The Board thanked them for coming.

President Holbrook asked for Directors Reports:

Director Kuil

- At the Tri Dam Committee Meeting they gave an update on the Financial Audit, which seems to be going good. The third unit is running well. Labor negotiations will be on the agenda for the next meeting.

Director Holbrook

- At the next Tri-Dam meeting the General Manager's job performance will be evaluated. A packet to help assist in the evaluation was handed out to the Board.
- There will be a Storm Water Seminar on May 2 from 9:00 – 4:00.
- CMUA Conference was informative and brought him up to date on the laws. Suggested that the District continue to send a least one Board Member to the conference.
- Toured Tulloch's third unit. Was impressed by the construction. He talked to the operators and they said they can operate from either site.

President Holbrook asked for Managers Reports.

Bill Hubkey reported the following:

- WTP lost power twice on Thursday, April 5<sup>th</sup> and then again on April 8<sup>th</sup>.
- The City of Manteca has declined to manage the waterline relocation portion of the Highway 99 Project. Plant and District staff will work the HDR Engineering and Cal Trans on the project. All the Cities are aware there will be a two week shutdown.
- Maintenance staff has completed reprogramming and installing the new PICs on all four DAF's.

Sam Bologna, Engineering Department Manager reported the following:

- 2012 Water Conservation Program update:
  - We have received 125 applications to date.
  - \$863,074 is committed
- We have 24 parcels connected to the Division 9 Pressurized System. He thanked NRCS for their financial help with the farmers.
- Working on updating the Rules and Regulations.

Jeff Shields, General Manager

- ACWA Spring Conference is in Monterey. District needs proxy form to be filled out to vote on new by-laws. Board selected Jeff Shields to vote on behalf of the District.
- CMUA Conference: SSJID and Sonoma County Water Agency received the annual Water Conservation Award. SSJID's award was for the On-Farm Water Conservation Program. The award included a certificate and an etched crystal globe.

- Delta Coalition Principles were prepared and, with the combined effort by SSJID and SEWD, we were able to get the following policy language inserted. *“Existing water rights in the Delta and upstream of the Delta must be protected and continued.”* The two irrigation districts initially agreed to join the Delta Coalition in large part to assure our water rights were recognized and protected by the entities that were opposed to the Bay-Delta Conservation Plan (BDCP) and the Delta Stewardship Councils efforts to promote Peripheral Canal.
- Received 110+ applications for the Executive Secretary position. Applicants had a range of experience and education from Masters Degrees to multiple years in irrigation districts or agricultural organizations such as the California Almond Board. We are screening the applications to get down to a pool of 15 for tests and initial interviews and hope to have the position filled by the end of the month.
- The Local Energy Aggregation Network (LEAN Energy, U.S.) presented SSJID with their 2012 National Community Choice Aggregation Leadership Award. The award is for the Developer of the Year and SSJID was recognized for our efforts to help Marin Energy Authority procure renewable energy certificates from the Robert O. Schulz Solar Farm as well as work with Shell Energy North America to fill MEA’s renewable portfolio. The award includes a certificate from the California Senate.
- Cary Keaton is leaving the City of Lathrop to take over the GM position for the Solano County Water Agency. Reception is April 16<sup>th</sup> at 7:15 at the Lathrop City Hall.
- Manteca Boys & Girls Club Manteca Hall of Fame is May 12<sup>th</sup>. Induction is from 5-6pm and dinner is at 7pm at the Manteca Senior Center. Cost is \$45/person.

General Counsel announced the Board would be postponing the Closed Session items until the April 24<sup>th</sup> meeting.

There being no further business to come before the Board it was moved by Kamper, seconded by Holmes and unanimously agreed upon, to adjourn to the next scheduled meeting to be held Tuesday, April 24, 2012.

ATTEST: \_\_\_\_\_  
 Dawn Driesen, Interim Executive Secretary