

Manteca, California
April 13, 2004

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 ROOS KUIL

Also present were Secretary/Manager Stroud, General Counsel Emrick, and Engineering Department Supervisor Bologna.

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 \$9,254,225.60 and Payrolls of \$140,720.93.
- B. SSJID Regular Adjourned Board Meeting Minutes of March 23, 2004, and Special Board Meeting Minutes of March 31, 2004.
- C. Adopt Resolution No 04-03-V, Authorizing the Sale of Property No Longer Necessary for District Purposes.

**RESOLUTION NO 04-03-V
AUTHORIZING THE SALE OF PROPERTY NO
LONGER NECESSARY FOR DISTRICT PURPOSES**

WHEREAS, the District may sell for valuable consideration, any property of the District, which it finds to be no longer necessary for District purposes;

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District finds five . ton pickups and two 1 Ton Trucks listed below:

<u>DISTRICT I.D. NO.</u>	<u>SERIAL NUMBER</u>
220-00	298164
239-00	295969
236-99	515311
246-91	159907

are no longer necessary for District purposes and that it is in the best interest of the District to sell said property; and

WHEREAS, the District finds, the following value is a fair consideration for said property;

<u>DISTRICT I.D. NO.</u>	<u>FAIR MARKET VALUE</u>
220-00	\$ 6,800
239-00	\$ 7,000
236-99	\$ 6,500
246-91	\$ 3,100

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Assistant General Manager of the District is authorized to display said property for sale for a period of ten days thereafter, directed to sell said property to whoever presents the highest cash offer, provided that the offer is equal to or exceeds the following:

<u>DISTRICT I.D. NO.</u>	<u>MINIMUM PRICE</u>
220-00	\$ 6,300
239-00	\$ 6,500
236-96	\$ 6,000
246-91	\$ 2,800

BE IT FURTHER RESOLVED AND ORDERED that the Assistant General Manager is authorized and directed to take all necessary steps and execute all documents necessary to transfer title to said property.

PASSED AND ADOPTED on this 13th day of April 2004.

D. Adopt Resolution No. 04-04-L, Policies and Procedures Governing the Use and Disclosure of Private Health Information under HIPAA.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 04-04-L
ADOPTING HIPAA POLICIES**

WHEREAS, the Health Information Portability and Accountability Act (**■HIPAA●**) requires all employers that pay for a group health plan for their employees must develop and implement policies and procedures to protect the health information of their employees and methods for advising employees of their rights;

WHEREAS, generally HIPAA applies equally to private sector and public sector employers;

WHEREAS, employers who perform health care functions, but also perform other functions that are outside the scope of HIPAA, are called **■Hybrid Covered Entities●**;

WHEREAS, Hybrid Covered Entities are required to ensure that all health care components of the entity comply with the privacy requirements set out in HIPAA;

WHEREAS, pursuant to C.F.R. Section 164.534, all employers, including **■Hybrid Covered Entities●**, that have a group health plan with less than \$5 million in annual health care receipts, called **■small health plans●**, must comply with the HIPAA regulations by April 14, 2004.

WHEREAS, the South San Joaquin Irrigation District (the **■District●**) is considered a **■Hybrid Covered Entity●** because in addition to its health care component, it performs functions outside the scope of HIPAA;

WHEREAS, the District is considered a **■small health plan●** under HIPAA because it provides and pays for a group health plan for its employees, and spends less than \$5 million per year in health care receipts;

WHEREAS, to comply with HIPAA, the District must limit the way it can use the personal medical information of its employees and is must protect the medical records and other **■individually identifiable health information●**, whether it is on paper, in computers or communicated orally;

WHEREAS, to comply with HIPAA, the District must provide employees with access to their protected health information (**■PHI●**) upon request and should permit employees to obtain copies of their medical records and request corrections if they identify errors and mistakes in these records;

WHEREAS, to comply with HIPAA, the District must provide notice to its employees of the District's privacy practices, how the District may use the PHI of each employee and what each employees' rights are under the new privacy regulation;

WHEREAS, to comply with HIPAA, the District must place limits on the use of PHI and the District must ensure that it is using and/or sharing only the minimum amount of PHI needed for a particular purpose;

WHEREAS, to comply with HIPAA, the District must ensure employees that it will not use PHI for marketing purposes without specific authorization from the employee;

WHEREAS, to comply with HIPAA, the District must establish and implement procedures and policies for responding to complaints regarding the privacy practices of the District;

WHEREAS, to comply with HIPAA, the District must establish policies and procedures to protect the confidentiality of its employees' PHI. The District must have written privacy procedures, including a description of staff that has access to PHI, how PHI will be used and

when it may be disclosed. In addition, the District must take steps to ensure that any business associates of the District who have access to PHI agree to the same limitations on the use and disclosure of PHI.

WHEREAS, HIPAA regulations require that SSJID designate a person to serve as a Privacy Official and who has adequate training to be responsible for ensuring the procedures are followed. In addition, if the District learns that an employee failed to follow these procedures, it must take appropriate disciplinary action.

WHEREAS, the Privacy Official will also be responsible for inventorying the uses and disclosures of PHI and tracking the use of PHI, developing overall privacy policies and procedures, setting up a complaint procedure, administering the policies and procedures, developing a training program for employees who have access to PHI, auditing and monitoring PHI, and implementing data security standards;

WHEREAS, attached as Exhibits A to K are policies intended to ensure that the District is in compliance with HIPAA rules and regulations,

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

1. Appoints Cheryl Burke as its Privacy Official. The Privacy Official is authorized to consult with the General Manager or the General Counsel as necessary to carry out the tasks assigned to the privacy official by this Resolution and as may be necessary to comply with HIPAA Rules and Regulations.
2. Appoints its General Manager as the person identified in the Notice attached as Exhibit J who will receive complaints about any failure to comply with either District HIPAA policies or the HIPAA privacy rules in general.
3. Adopts the policies attached to this Resolution as Exhibits A to K.
4. Directs that all employees be given the Notice attached as Exhibit J no later than April 14, 2004.
5. Directs that the Privacy Official verify that existing contracts with each Health Care Provider contain the provisions of Exhibit K and contracts which do not are deemed amended to incorporate the provisions, and further directs that all future contracts with each Health Care Provider shall incorporate the provisions of Exhibit K.
6. Authorizes the Privacy Official to work with the General Manager and General Counsel who along with the Privacy Official are individually and collectively authorized to take such further action as may be required to enforce the District policies attached to this Resolution.

The foregoing Resolution was duly adopted at a meeting of the Board of Directors of South San Joaquin Irrigation District held on the 13th day of April, 2004.

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

PASSED AND ADOPTED this 13th day of April 2004 by the following roll call vote:

Ayes:	DeGroot	Kamper	Schulz	Roos	Kuil
Noes:	None				

Consider water sale to Central San Joaquin Water Conservation District (Central). Grant Thompson, representing Central, addressed the Board. He thanked the Board for the sale last year and asked if they would consider selling 5,000 acre feet this year at or below the \$15.00 paid last year per acre foot. After discussion it was moved by Roos, seconded by Kuil, to approve selling Central 5,000 acre feet at \$15.00 per acre foot. Motion Carried, Ayes 4, Noes 1, with Director Kamper voting No.

Review and accept 2003 audit, prepared by Terry Kreig. Mr. Kreig addressed the Board and went through the Audit Report and Financial Statements. He then went through the Management Letter. He told the Board that overall the District's accounting systems are in good shape, and that Robin Giuntoli and her staff do an excellent. He recommended that the District

consider a new accounting system to better account for the implementation of the Water Treatment Plant. After discussion and questions, the following action was taken. Motion by Kuil, seconded by DeGroot, and unanimously carried, to accept and approve the audit as submitted.

Discussion and possible action concerning security camera's for the District yard. Frank Avila addressed the Board. He told them he had talked with four security firms, three submitted proposals. He said the proposals are not identical, and thus the prices are not representative of the product. He said he recommends either Jewell's, \$48,453.49 or Ray's Radio, \$43,476.74. He noted in addition to either program, we will need additional lighting at a cost of \$1,878.00. After discussion, it was moved by Kamper, seconded by Kuil, and unanimously carried, to authorize purchase of a security system from Ray's Radio at \$43,476.74, and lighting at a cost of \$1,878.00.

President Schulz asked Ms. Sherry Vegas if she wished to address the Board. She told the Board she represented Robert Lemos. She said Mr. Lemos' parents owned property (APN 247-05-051) on Brennan Road. The water fees have not been paid on this property since 1995 and they now owe \$5,819. Ms. Vegas said District water was never used on this property, and would like the District to wave the fees. President Schulz told her we would put the item on the agenda and consider her request at the April 27th meeting.

Authorize retaining of an appraiser for acquisition of additional property interests for the Water Treatment Plant Project. Emrick told the Board that the current appraiser has moved to Oregon, and so we need to hire a new one. He said the cost per appraisal is between \$3,000 and \$5,000. Motion by Kamper, seconded by DeGroot, to authorize General Counsel Emrick to hire an appraiser with a cap of \$5,000 per appraisal. Motion Carried, Ayes 3, Noes 2, with Directors Schulz and Roos voting No.

Authorize payment of \$25,653.92 to Conco West. Stroud said this is for the repairs to the Northwest SIDE Project last fall. He said the District authorized the work, and NDI was to pay for it since the damage was caused by their negligence. NDI to date has not paid the District, however they have turned it over to their insurance company. Emrick said we need to write a letter demanding payment. Motion by Kuil, seconded by Kamper, to pay Conco West as requested and to have General Counsel Emrick write a letter to NDI demanding payment and follow up with any other necessary action to collect from NDI. Motion Carried, Ayes 4, Noes 1, with Director Roos voting No.

Consider approving software maintenance contract renewal with Wonderware Intouch and E & M Electric and Machinery. Stroud recommended approving the agreement with Wonderware and E & M at a cost of \$6,765.84. Motion by DeGroot, seconded by Roos, and unanimously carried, to authorize execution of agreements with Wonderware and E & M at a cost of \$6,765.84.

General Manager's report:

Stroud reported the following:

ACWA Conference Registration packets due today. Director Kuil and Director DeGroot will not be attending.

Relative to legislation in Sacramento: Reported that a bill for Special Districts is being proposed. It would restrict pay and benefits for Board Directors and increase audit costs and responsibility. Also, a Bay Delta proposal would charge \$7.50 per acre foot used or diverted. The District will pursue amendments to the proposal through the San Joaquin River Group, so that the irrigation districts receive fair and equitable treatment.

Relative to maintenance: Reported the Vg line was finished Saturday, April 10th, and is delivering water. The private valves will be replaced as soon as water is out of the line.

Relative to the power plant at Woodward Reservoir, the Woodward Hydro is shut down for repairs. TID estimates it will take a month to be up and running. Current water surface elevation at Woodward is 187.9 feet. At this elevation we are able to control flows and serve constituents as needed, and thus there is no need for renting pumps from landowners or from Rain for Rent.

Contractor doing the reservoir, Mitchell Engineering, will be guniting areas for protections from waves when they finish filling the gap for the new pipe they placed. Adjacent to this there are areas we need to gunite. Mitchell has agreed to do that work for \$15,000. Staff plans to make arrangements for this extra work unless the Board requests it be placed on a future agenda for discussion. The Board did not ask for the matter to be further discussed.

The City of Stockton and SEWD have requested SSJID, along with OID, extend the current water sale contract with them. Discussions are ongoing.

Tri-Dam meeting is here this Thursday, April 15th.

River Group has a meeting scheduled for May 28th.

Relative to PG&E's offer for a bill credit option. They gave us their final presentation. Initial cost is estimated at roughly \$300,000, and annual cost would be roughly \$300,000 plus administrative costs. CPUC approval would be required. Stroud said from all he has seen he can't recommend going forward with this option. Their suggestions regarding aggregation either cannot be implemented without legislative approval or would involve trying to weave four other governmental agencies together into a single program – the Cities of Escalon, Manteca, and Ripon and San Joaquin County. There is significant staff concern with the time it would take to deliver benefits and the level of benefit delivered.

Directors reports':

Kamper asked relative to roads repaired as a result of the Water Treatment Plant pipelines, who is responsible if there are problems in the future? Stroud said the contractor is responsible for meeting the requirements of the plans and specifications and for a one year warranty period thereafter. The District will be fully responsible for maintaining our facilities to prevent damage to roads.

Roos asked what the City of Tracy is billing us for. Stein said it is for water testing for the Treatment Plant project.

Kuil said our crews did a very good job on the Vg line. Roos said some of the growers told him they were impressed with our crews that worked on the Vg.

President Schulz called for closed session relative to litigation matters, personnel matters, and labor update. General Counsel Emrick stated the Board will discuss in closed session items a., 2 and 3.

- a. Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9.
 2. Sierra Club et al v SSJID
 3. Chevron Texaco v SSJID

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 DeGroot, seconded by Kamper, and unanimously carried to adjourn to April 27, 2004.

ATTEST:

John Stein, Assistant Secretary