

Manteca, California  
May 12, 2009

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        KUIL        KAMPER        SCHULZ

ABSENT:                ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, Utility Systems Director Battles, Communications Assistant LaVere, Water Treatment Plant Manager Hubkey, Communications Coordinator Saylor and Engineering Department Manager Bologna.

President Kamper 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.     SSJID Warrants of \$680,470.40 consisting of checks \$561,445.76 and wires \$119,024.64 plus payrolls of \$342,109.12.
- B.     Approval of Regular Board Meeting Minutes of April 28, 2009.
- C.     Accept and file Notice of Completion for work on installing irrigation boxes and valves on Lateral "A" and Lateral "Wc" Richard Townsend Construction, Contractor.
- D.     Accept and file Notice of Completion for work on the Lateral "Qk" pipeline installation (SSJ-2008-03) Ross F. Carrol, Inc., Contractor.

Motion by Director Holbrook, seconded by Director Kuil to approve items A. through D. as submitted.

PASSED AND ADPOTED this 12<sup>th</sup> day of May 2009 by the following roll call vote:

Ayes:        Holbrook        Kuil        Kamper        Schulz  
Noes:        None

At the request of District Counsel Emrick item E was removed from the Consent Calendar and removed to the action calendar.

Consider adopting Resolution #09-06-G, Authorizing the Finance Supervisor/System Administrator to execute application for the Department of Interior's USBR Challenge Grant Program. LaVere explained this Resolution is mandatory for us to submit an application to the USBR for a grant on the Division 9 System. She recommends approval. Shields said the District is applying for 40% of the cost of the project and the deadline is May 22, 2009 and he recommends approval.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
RESOLUTION NO 09-06-G  
AUTHORIZING FINANCE SUPERVISOR/SYSTEM ADMINISTRATOR TO  
EXECUTE APPLICATION FOR CHALLENGE GRANT PROGRAM**

**WHEREAS**, the Department of the Interior, Bureau of Reclamation, Policy and Program Services ("DOI") administers the Challenge Grant Program: Recovery Act of 2009 Water Marketing and Efficiency Grants ("Challenge Grant Program") which provides cost-sharing of up to \$5,000,000 for construction of new water conservation projects; and

**WHEREAS**, the District is planning to construct a new irrigation delivery system in a portion of its Division 9 that will make available pressurized water to approximately

4,000 acres of farmland in order to provide improved service and save water and energy (“Division 9 Project”); and

**WHEREAS**, the District is prepared to fund the estimated cost of the Division 9 Project which exceeds \$9,000,000, including design, environmental review, land acquisition, permitting and construction; and

**WHEREAS**, subject to completion of environmental review, the District intends to start construction of the Division 9 Project at the end of the current irrigation season and to complete the project by the end of the 2010 irrigation season in September 2010; and

**WHEREAS**, the District intends to file an application to obtain a grant for up to 50 % of the cost of the Division 9 Project under the DOI’s Challenge Grant Program; and

**WHEREAS**, the District commits to work with DOI to meet established deadlines for the Challenge Grant Program and to enter into a mutually-acceptable cooperative agreement; and

**WHEREAS**, by action taken on April 24, 2009, the District retained URS Corporation to prepare an application for a grant under the DOI’s Challenge Grant Program to help fund the District’s Division 9 Project; and

**WHEREAS**, to qualify for funding, an application for the Challenge Grant Program must be submitted by May 22, 2009,

**NOW, THEREFORE BE IT RESOLVED AND ORDERED** that the District shall file an application to seek up to \$5,000,000 in funding from the DOI’s Challenge Grant Program to help pay the cost of the District’s Division 9 Project.

**BE IT FURTHER RESOLVED AND ORDERED** that the Finance Supervisor/System Administrator, Robin Giuntoli, is authorized and directed to sign and submit an application and all other documents necessary to qualify the Division 9 Project for funding under the DOI’s Challenge Grant Program on or before the applicable filing deadline and to work with DOI as necessary to qualify for funding under the Challenge Grant Program.

**PASSED AND ADOPTED** on this 12<sup>th</sup> day of May, 2009

Motion by Director Holbrook, seconded by Director Schulz to approve Item E. above, Resolution No. 09-06-G.

**PASSED AND ADOPTED** this 12<sup>th</sup> day of May 2009 by the following roll call vote:

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

Consider approval of change order with Stantec for Division 9 project. Bologna said the original contract was for time and materials for \$199,700. The Board authorized staff to expend up to \$250,000 at the time the original contract was awarded. Stantec is asking for an additional \$274,200 based on input from farmers, and additional footage as requested by the Board. Directors Holbrook and Kuil asked several questions. It was also recommended that the contract additions be merged into the original contract and billed according to specific tasks. Also, certain exclusions will need to be clarified in the contract to assure that it is consistent with the original contract. Mike Persak of Stantec addressed the Board and after a lengthy discussion it was moved by Director Holbrook, seconded by Director Kamper, to approve the additional \$274,200 as requested. Motion Carried by the following vote:

Ayes:	Holbrook	Kamper	Schulz
Noes:	Kuil		
Absent:	Roos		

Consider conditional approval of plans for Lundbom Estates Development. Bologna said this development requires the replacement of 250 feet of 36" RGRCP on Lateral "Xaa". There are currently 5 acres downstream and 45 acres upstream that can be serviced. The developer is attempting to get the landowners to sign off. Bologna is asking this be approved as if to be replaced with the exception that should the property owner sign off we will take another look and amend approved requirements accordingly. Motion by Director Kuil, seconded by Director Schulz, and unanimously carried, to approve as recommended.

Review and accept 2008 Audited Financial Statements. Giuntoli introduced the auditors, Marcia Fritz and Jason Russell of Marcia Fritz & Company, Certified Public Accountants. Ms. Fritz told the Board that the scope of the audit was discussed with the Audit Committee, Directors Kamper and Roos. She said there were no significant findings and the staff was very cooperative and professional. Mr. Russell said all items in the Report on Internal Controls were addressed satisfactorily. He said Robin Giuntoli is extremely competent at her job and has done a great job, particularly since she has a new software package and new auditors in the same year. Shields echoed Mr. Russell's comments, and added the office staff has also done a good job. After discussion the following action was taken. Motion by Director Holbrook, seconded by Director Kuil, and unanimously carried to accept the audit with minor corrections to the notes from General Counsel Emrick.

President Kamper asked for Manager's reports:

Shields reported the following:

Told the Board the next meeting scheduled for May 26, 2009 will have mostly presentation from entities congratulating us for 100 years. Other business will be kept to a minimum. May 27, 2009 we will celebrate our 100<sup>th</sup> anniversary from 4:00 p.m. to 7:00 p.m.

Reported that Director Holbrook and he attended the Lathrop City Council meeting Monday night. He handed out a copy of the speech he gave the council pointing out all the benefits the City of Lathrop enjoys thanks to the District.

Said Directors Kamper, Kuil and Holbrook, and District Counsel Emrick and he attended the Farm Bureau Meeting last Friday.

Sayler told the Board that there will be an insert in the Manteca Bulletin, Ripon Bulletin, and the Escalon Times regarding the 100 year anniversary. Also, each Director and employee will receive invitations to the celebration to give out to people they would like to see attend. She said we will have a tent out front with displays from all divisions of the District.

Director Holbrook asked about the Model. Sayler said she is afraid it will not be ready by the 27<sup>th</sup>.

Shields said the Operating Committee met yesterday. The two main topics were letting the City of Ripon participate and the Budget. The meeting went well. Tracy and Lathrop said they would like to have Ripon join, but were not willing to part with their share of water even though it would likely be at least 20 years before they reach full capacity. He said there may be ways to accommodate them and keep Tracy and Lathrop whole and we will be studying them.

Shields handed out an Invitation from Supervisor Leroy Ornellas 6<sup>th</sup> Annual Bar-B-Que on Friday, June 19, 2009. He asked the Directors to let him know who would be attending.

Said the USBR reported they will deliver 10% of contracts in 2009.

Reported that the Ag Energy Consumers Association, (AECA) to which we belong, said that a bill with "Critical Peak Pricing" is going through the Assembly. This would

eliminate “time & use billing”; and “go to daily pricing”. Both would cause confusion. AECA is monitoring this legislation for us.

Chamber of Commerce Award Dinner is June 6, 2009, also, on May 23, 2009; the Manteca Hall of Fame will honor Nick C. DeGroot. If you want tickets to one or both please let me know.

Hubkey reported the following:

The cities were given the draft budget yesterday. Both capital and O&M were presented. There were few questions and no objections.

All fiber repairs are up to date. When we did the cleaning there were less leaks this time. We have not determined why at this time.

Zenon recommended we replace about 8,000 “O” Rings within the system. Staff is currently replacing them.

P.G. &E. made the final tests and accepted the “Trident” switch from the Solar Farm.

All plans and specifications have been received from Black & Veatch for the POP Project. Staff is working to get them out to bid.

Battles reported:

Landscaping around the new sign is complete.

Construction on the security system has started.

Solar production is near the maximum producing 12 to 13,000 KWH per day.

PG&E gave us official permission to operate letter.

May 8, 2008 Phase I went on line; Phase II went on line March 18, 2009.

President Kamper asked for Directors reports:

Director Schulz asked Bologna about the agreement with OID to irrigate 60 acres for them, based on them irrigating 60 acres for us. Since our 60 is no longer being irrigated by OID we should be collecting the water charge not OID from OID’s 60 acres. Bologna said he would look into it and report back.

President Kamper called for closed session. District Counsel said we will discuss the following in closed session:

- Public Employment Appointment. Gov. Code, S. 54957. Title, General Manager, Tri-Dam.
- Conference with legal counsel. Anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. Two Cases.
- Conference with Real Property Negotiator. Gov. Code, S. 54956.8. Negotiation Parties: District and City of Stockton, SEWD. District negotiators: General Manager and District Counsel. Under Negotiation, Terms of Payment for sale of water.
- Conference with Real Property Negotiator. Gov. Code, S. 54956.8. Negotiating Parties: District & United States Bureau of Reclamation, or its contractors. District negotiators: General Manager and District Counsel. Under negotiation. Price & terms of payment for sale of water.
- Conference with legal counsel, anticipated litigation. Gov. Code, S. 54956.9. Various hearings and workshops concerning the San Joaquin River and the Bay-Delta before the State Water Resources Control Board.
- Public Employment Performance Evaluation. Gov. Code, S. 54957. Positions: General Manager.

Upon returning from closed session District 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 Director Kuil, seconded by Director Schulz, and unanimously carried to adjourn to May 26, 2009 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary