

Manteca, California
May 13, 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, District Counsel Emrick, Giuntoli, Finance Supervisor/Systems Administrator, Utility Systems Director Battles, WTP Manager Hubkey, Communications Coordinator Sayler, and Engineering Department Supervisor Bologna.

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 as submitted.

CONSENT CALENDAR

1. Approve SSJID Warrants of \$2,041,764.31 and payrolls of \$285,360.11.
2. Approve SSJID Minutes of April 22, 2008 and Special Board Minutes of April 29, 2008.
3. Adopt Resolution 08-09-F, South San Joaquin Irrigation District Adopting Reserve Policy.

SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION ADOPTING
RESERVE POLICY
RESOLUTION NO. 08-09-F

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District (“District”) desires to adopt a Reserve Policy. Government have constitutional authority under the California State Constitution, Article XIIB, Section 5, to establish reserve funds as the districts deem reasonable and proper.

NOW, THEREFORE BE IT RESOLVED, that the South San Joaquin Irrigation District Board of Directors hereby adopts the Reserve Policy. This resolution will remain in effect until revocation by the Board of Directors of the Oakdale Irrigation District.

4. Adopt Resolution 08-10-F, Authorizing the Sale of Property No Longer Necessary for District purposes.

RESOLUTION NO. 08-10-V
AUTHORIZING 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 the following pickup and 1 ton flat bed with spray unit for sale listed below:

<u>DISTRICT I.D. NO.</u>	<u>SERIAL NUMBER</u>
256-03	1GCEC 14X23Z279753
267-04	1GCEC 14X94Z275779
275-05	1GCEC 14X95Z228608

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

<u>DISTRICT I.D. NO.</u>	<u>FAIR MARKET VALUE</u>
256-03	\$6,150.00
267-04	\$7,185.00
275-05	\$6,995.00

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>
256-03	\$5,550.00
267-04	\$6,550.00
275-05	\$6,350.00

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 this 13th day of May 2008 by the following roll call vote:

- E. Accept and file Notice of Completion for work on the Main Office Entrance Gate.
- F. Authorize approval of quit-claim of easement for an abandoned portion of Lateral "T" 535 = 35 dd to Melvin and Carol Roberts.

Relative to Item "B" April 22, 2008 minutes change on page 4 first paragraph second line reads "Roos" change to read "Holbrook". On item "C" on both the Resolution and Draft Reserve Policy change "XIIB" to read "XIIIB". Also on the resolution change "Oakdale Irrigation District" to read "South San Joaquin Irrigation District".

Motion by Director Roos, seconded by Director Holbrook, to approve the Consent Calendar items as presented with the above corrections.

PASSED AND ADOPTED this 13th day of May 2008 by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Schulz	Roos
Noes:	None				

Review and accept 2007 Audited Financial Statements presented by Maze & Associates who audited the 2007 financials. Giuntoli introduced Vicki Rodriguez of Maze & Associates. She went through the Financials and answered some questions. She stated that all new GASBY regulations did not apply to SSJID in 2008. Relative to the "Memorandum of Internal Control Ms. Rodriguez said there is only one item of concern and it was: "Each member of the Finance staff has access to the General Ledger, and has the ability to write off accounts receivable. Giuntoli said she is the only one that has access and Ms. Rodriguez said she would look into this further and make and necessary changes. After discussion it was moved by Director Holbrook, seconded by Director Kamper, to accept the 2007 Audited Financial Statements as submitted.

President Kuil announced a Video Presentation by Moonshadow Production of the District, its history and future.

Authorize staff to replace leased copy machine/printer/scanner. Shields said the lease for the current machine ends shortly and at this time we have only one quote which is less than the current cost. Shields asks the Board to give staff authority to sign a new agreement at a cost not to exceed \$800 per month. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to authorize the rental of a new copier/printer/scanner at a cost not to exceed \$800 per month.

Consider request of Mr. Kamboj to extend offer to purchase District property. Bologna said Kamboj's still want to buy the property. However, they would like an extension since at this time they cannot afford to make the purchase. Director Holbrook noted a discrepancy on the APN's and Bologna said he would correct it. Bologna recommended approval with the right to

make changes at the time of sale. Motion by Holbrook, seconded by Director Kuil, and unanimously carried, to approve the two year extension as requested, with the corrections and amendments.

Consider approving Nick C. DeGroot WTP 2008-2009 Fiscal year budget. Hubkey said the Operating Committee met and discussed this budget and had no problems with it. He asked it be adopted as submitted. Motion by Director Kamper, seconded by Director Schulz, and unanimously carried, to approve the \$6,578,973 fiscal year 08-09 Operations and Maintenance Budget.

Approve work by Johnson Controls to modify existing HVAC System at the WTP. Hubkey said the cost of this is \$8,000 to be added to the original 2008 Capital Budget. Motion by director Kamper, seconded by Director Kuil, and unanimously carried, to approve the modification by Johnson Controls at a not to exceed cost of \$8,000.

Consider approving the amended Process Optimization Process (POP Plan) at the WTP. Hubkey said the total budget is \$1,508,000. This work will be done over the next two years at the request of the City of Lathrop, and Lathrop will pay their share in two equal payments for the work. The other cities have already paid their shares. Motion by Director Kamper, seconded by Director Roos, and unanimously carried, to approve the POP Plan at \$1,508,000 as presented.

Authorize the General Manager to dispose of the damaged sluice gate from Woodward Reservoir. Hubkey said we got three quotes. Two for taking it intact and the other in sections only. High bid in sections (which would require we cut it up) was \$240/ton; intact was \$220/ton. Hubkey recommended taking the intact bid of \$220/ton. Motion by Director Schulz, seconded by Director Holbrook, and unanimously carried to accept the bid of \$220/ton intact.

Accept Underwater Resources bid for repairs on the log booms at Woodward Reservoir. Hubkey said we could replace the booms for approximately \$250,000, however the cities would rather pay the annual maintenance which is \$15,505 this year. He recommends approval of the \$15,505 maintenance bid. Roos asked about lights on the dam. Hubkey said the insurance company said since we put in the booms if we remove them now we would be exposing ourselves to increased liability and they recommended against it. Emrick said advised that we consult with Stanislaus County who has always covered us on claims, before we decide to remove the log booms. Motion by Director Kamper, seconded by Director Roos, and unanimously carried to repair the booms at a cost not to exceed \$15,505.

Hubkey gave his managers report:

The plant went through a nine hour shut down last Thursday, May 8th, to hook up the solar panels and start receiving power. They experienced some problems with the switch gear so it was not completed. Tomorrow we will try again and be shut down for four or five hours.

Since July of 2007 we have spent approximately \$173,035 in staff time for fiber repairs. We are still negotiating with Zenon to resolve the problem.

We filed our fourth quarter NPDES Report, no incidents were reported.

Consider approving Human Resources Technician position, salary and job description and authorize filling of the position. Shields said he met with the Personnel Committee on this and they agree with the pending retirements of key personnel, such as the Operations Supervisor and the Assistant General Manager, plus the legal requirements felt it is time to bring in an HR person. This position is not a supervisory position but it will be a Management Unit position. Pay is \$45,000 - \$60,000 annually + benefits. Shields recommended approval of the position, job description, salary range above and authorizing filling the position. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried, to approve as recommended.

Authorize actions to complete upper main canal fencing and solar well in canal bypass area. Both Morrow and Haggard worked with the Borbas to get an agreement. Although the Borbas have not signed it, we need approval to proceed and basically close the gate. Conlin Fence has submitted a proposal for the fencing, concrete pads, tank and plumbing at \$34,210. The well work by Masellis Drilling \$14,038 and Machado, Inc. \$26,060 for a total of \$74,308. Kuil

asked about having staff do the work because the price is very high. Haggard agreed it is high but said the area is not easily accessible and expensive to access. Emrick said staff does not have the time, and Borba's are happy with the work of the outside contractors. Also Conlin will fence the Conte Property for \$9,250. After discussion it was moved by Director Schulz, seconded by Director Holbrook, and unanimously carried to approve the bids by Conlin, Masellis and Machado as stated above.

Review status of contract with SunTechnics Installation and Services, Inc., and consider amendment to the contract. Shields said SunTech originally guaranteed 3,667,000 KWh at 1.6 MG. Now they are unwilling to guarantee prorated on the size 1.0 MG. We are still working on an agreement with them, and are holding \$392,967 until we have an agreement. No action was taken.

Consider approving Notice of Completion for the Solar Project. Since it is not complete no action was taken.

Battles reported that we should complete the hookup tomorrow and energize the project.

Shields reported the following:

Final inspection of the work on the office should be completed tomorrow.

SSJID and OID's 2008 water entitlement is 576,127 acre feet, or 288,000 acre feet each. If 576,127 acre feet is the inflow, the formula would increase our allocation to 292,042 acre feet.

The four Directors who attended the ACWA Conference was loaded with Delta concerns and salinity concerns.

The San Joaquin Farm Bureau dinner last Friday was a good experience. They gave out \$30,000 in scholarships at the dinner. Our dues for the coming year are \$300.

CPUC has some challenges on issues relative to inclusion of costs into rates and a possible class action suit against the CPUC is possible.

Relative to GPS in the vehicles, we installed four 10 days ago in divisions 2, 5, 6, and 7 pickups. We ordered 7 more for divisions 1, 3, 4, 8, and 9 and for the Night and Day Assistant Water Superintendents. If we do any more we will come to the Board for approval.

Relative to Propositions 98 and 99 papers are coming out, eg Los Angeles Times, for No on 98 and yes on 99 which is my position.

President Kuil asked for Directors reports:

Director Schulz said Grant Thompson of Central San Joaquin said they may be interested in buying water from us this year.

Director Roos asked about 51% increase in Operating Expenses. Stein said it is primarily due to increase in depreciation expense because we capitalized approximately \$150 million at the Nick DeGroot Water Treatment Plant.

Director Roos on ACWA Conference said there was a lot on the Peripheral Canal and he feels we need to get involved and take a position. Said discussions on how the Courts, a Judge, is now controlling diversions on the State Projects because the State failed to come up with solutions to the problems.

Director Roos asked what happens to VAMP and its expiration in 2012. Emrick said this was a EPA & State Plan which the tributaries and others adopted. It may be renewed, or it could be reviewed and the powers that be could ask for more than VAMP currently gives. It probably will be a problem in 2012 getting Fish & Game, Fish & Wildlife and others to go along with the VAMP program as it is today.

Director Kamper talked about the ACWA Conference. He said in addition to Delta issues he attended the Ethics Program. He said they had some basic points they emphasized. Familiarize

yourself with the laws; If it does not smell right, don't do it; and be familiar with general ethical principles.

Kamper said the Climate Change program with Elisa Lynn was excellent. Also, he said at an Energy seminar they talked about time of use for users. Also on Friday at breakfast the three speakers, the mayor from Orange Cove did a good job of pointing out how the economy has effected his constituents.

Shields said sea level has risen 12 inches from 1990 to 2000, and there are estimates that it could go to 36" by 2050.

There being no further business to come before the Board it was moved by Director Schulz, seconded by Director Roos, and unanimously carried to adjourn to May 27, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary