

Manteca, California  
May 25, 2004

The Board of Directors of the South San Joaquin Irrigation District met in regular adjourned session in their chambers at the hour of 9:00 a.m.

Upon roll call the following members were noted present:

DIRECTORS:	KAMPER	SCHULZ	ROOS	KUIL
	ABSENT	DEGROOT		

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 presented.

- A. SSJID Warrants of \$2,898,400.31.
- B. Regular Board Meeting Minutes of May 11, 2004.

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

PASSED AND ADOPTED this 25th day of May 2004 by the following roll call vote:

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

Director DeGroot arrived at 9:10 a.m.

Consider authorizing outside legal support for environmental review of retail electric project. Emrick told the Board we are evaluating PG&E's comments on the environmental review and contemplating whether to recommend that an EIR be prepared. In making that decision and in preparing an EIR, should that be the decision, it would be helpful to have Counsel with specialized CEQA expertise, and he recommends hiring Steve Kostka of Bingham McCutchen firm in Walnut Creek. Mr. Kostka did the EIR on the Water Treatment Plant. Emrick said it would be helpful to have that additional assistance to respond to PG&E which has questioned the sufficiency of the environmental assessment. He told the Board that he can't give them a budget amount because it will be a time and materials only. He said he believes Kostka's hourly rate is in the range of \$450.00, but we won't need a lot of his time. After each Director stated their discomfort with the hourly rate, it was moved by Kamper, seconded by DeGroot, and unanimously carried, to approve hiring Steve Kostka of Bingham McCutchen as recommended by Mr. Emrick.

Consider approving change order for Mountain Cascade and authorize Mountain Cascade to hire subcontractors. Grant Kreinberg, WTP Project Administrator, addressed the Board. He told them that there are two parts to his request, both caused by permits not being received at the time we bid the bridge crossing the San Joaquin River from two Reclamation Districts, the Coast Guard, and San Joaquin County.

- 1) Extending the path, including retaining walls replacing trees removed due to the extension. Increase in cost is \$133,230.00.
- 2). The Coast Guard shortened the time we may work in the river from 4 months to 2 months. To finish the work within the shorter time window, the contractor will have to hire additional subcontractors. State law (Section 4107b of the Public Contract Code) says the contractor can only do this under certain circumstances. We believe the significantly shortened work window meets the intent of the Code. Grant recommended approving both items. Emrick asked that they be approved separately.

Motion by Kuil, seconded by Kamper, and unanimously carried, to approve the change order in the amount of \$133,230, which brings the total contract with Mountain Cascade, Inc., to \$14,706,171.00.

Motion by DeGroot, seconded by Roos, and unanimously carried, that due to change in circumstances, specifically reducing the window of work from 4 to 2 months and because if the change were not approved, delivery of water to Tracy could be delayed at least 6 months, which would cause difficulties to Tracy's water supply which is dependent on timely completion of the project, the Contactor, Mountain Cascade, Inc., be authorized to hire additional contractors to complete the work.

Consider authorizing staff to continue with debris cleanup project. Gilton said the original bid was for 8,000 yards of material at \$29,3700. The bid was on a per yard basis. Due to additional pipe being removed on Lateral H, Q, and Vg, we are now estimating the total to be around \$65,000 to \$70,000. Gilton asked the Board to increase the total budget by \$50,000. Savings on other capital project will more than cover the additional cost on this one. Motion by Kamper, seconded by Kuil, to approve the increase cost as requested. Motion Carried, 4 Ayes, 1 No, with Director Roos voting No.

Consider authorizing transfer of bridge crossing the San Joaquin River to the City of Lathrop. Emrick said construction of the new bridge was not a part of the original project. We had intended to attach our pipe to the existing Mossdale Bridge, however, it did not have capacity to hold the weight of our pipeline. The District doesn't want to have to maintain this bridge, and the City of Lathrop has already completed an environmental review for a new bridge. The proposed Agreement provides that the District will construct the bridge on behalf of the City of Lathrop and then convey the bridge to Lathrop at completion. It achieves both objectives. Their City Attorney has approved the form of the Agreement, but the Council has not. Emrick recommended the Board approve subject to approval by the Lathrop City Council. Motion by Roos, seconded by DeGroot, and unanimously carried, to approve turning the bridge over to the City of Lathrop, authorizing execution of necessary documents, subject to the City of Lathrop approving the agreement.

President Schulz called for Manager's reports:

Stroud reported the following:

Repairs on the excavator ram are complete. We were asked if we bid the repair job. We didn't because John Deere was the only vendor that had the parts needed, cost appeared competitive, and we need the excavator repaired as soon as possible to avoid having to rent one.

Leaks on the Wc on Almondwood Avenue, east of Airport, are repaired. We are considering putting in a single cell box to avoid charging the "dd" line every time there is water in the Wc. Replacement of the "dd" line will be considered during the next capital budget process.

Camera security system is installed. The Internet connection will be completed soon after the DSL line installation is completed. Will install two additional security lights, which were budgeted, and job will be complete.

SB 1272 was significantly amended, but still did not get out of committee. It was defeated on a 5-4 vote. ACWA and the Special District Association continue to monitor the situation because the bill is not dead.

Relative to the State budget, the Governor cut a deal to take funds from Special Districts for two years, and to help pass a constitutional amendment to make it impossible to take any future funds. The impact on the District will be significant for the two years, but it is important to gain constitutional protection for future property tax revenues. Good planning is possible only with a stable or at least predictable revenue system.

On May 20, 2004, the State Water Resources Control Board unanimously approved issuing Aquatic Pest Control (Magnacide) permits. We will apply Magnacide tomorrow. Portions of the system, like the V west of Highway 99, have major weed growth, so there may be complaints when it breaks loose. While undesirable, it is impossible to prevent all of the resulting problems. With the permit issued, it will not be necessary to delay.

Woodward Reservoir is at 206.9 elevation this morning.

At the Tri-Dam meeting, Director Clark of OID asked for statements of investment funds be sent to the Districts. We received our copy, if you wish to continue receiving them let me know, otherwise I will tell Tri-Dam we will request copies if we want them.

Due to the diligence of Division Manager, LeRoy Rampoldi, who noticed leaks in the Main between Drop 1 and Highway 120, catastrophic failure of the MDC was averted.

Hired a new employee, Johnny Moore, who will start tomorrow. Out of 45 applications, we have 3 on the list who Ron Morrow said would be appropriate to hire should the need arise.

Reported that the City of Ripon construction damaged Lateral "Uf" at Doak and Jack Tone The Board was shown pictures of the pipe. The grade had been cut down, so the curb was virtually sitting on top of our pipeline. The pipe is Class III RCP, but even that is insufficient to withstand such shallow construction. The line will be patched to keep irrigation rotations on schedule until permanent repair/ replacement can be made.

Central San Joaquin Water Conservation District requested approval to purchase an additional 5,000 to 10,000 acre feet this year. Stroud said based on his calculations, we have approximately 26,000 acre feet available. Since we committed 20,000 to the USBR/SEWD, he recommends 5,000 be offered to Central. If USBR/SEWD does not take the entire 20,000 we could provide more to Central.

Motion by DeGroot, seconded by Kuil, and unanimously carried, to add to the agenda the request by Central San Joaquin Water Conservation District (Central) the sale of additional water. The urgent nature of the request came well after the agenda was posted, and Central needs the water immediately for rice crops that were planted.

Motion by Roos, seconded by Kuil, to approve the sale of 5,000 acre feet to Central at \$15.00 per acre foot under the same terms as the last purchase by Central. Additionally, to inform Central that this is the last time we will sell them water at less than the competitive price. Motion Carried, 4 Ayes, 1 No, with Director Kamper voting No.

Directors' reports:

Kamper asked when the V line is to be built. Stroud said it is scheduled for this winter. The V Lateral Master Plan is now complete and should be on the agenda for approval at the next meeting. Kamper asked where the money is being collected to build it. Stroud said the City of Ripon made arrangements for financing. Details of the City's arrangements will be determined and the Board advised at a future meeting.

Roos asked if the River Group meeting was this Friday, May 28th. Stroud said yes it is.

Roos also asked for information on the District's fuel purchasing procedures and whether increasing the size of our fuel tanks would save money. Stroud said the information will be provided to the Board as soon as it can be collected.

Kuil asked about the Water Treatment pipeline crossing the Meneses property. He said the Meneses' wants to put in a field drain, which we removed during construction of our pipeline, and feels we should put it in. Also, they want a conduit for future power to an existing pump and a line crossing our pipeline. Gilton said the property owner needs to come in and apply for an Encroachment Permit. He said we will help them fill it out. Such permits are needed for safety - we need to know where encroachments are to protect our crews and to avoid damaging private facilities in our easement. Permit costs will be paid by the Water Treatment Project account. Director Kuil was informed that if Meneses intends to put manure water on the land, the District will not issue a permit for the drain.

President Schulz called for closed session relative to litigation matters, personnel matters, and labor update as follows: General Counsel Emrick reported items a. through d. will be discussed in closed session.

- a. Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9.  
Sierra Club et.al. v. SSJID
- b. Conference with labor negotiator, Gov. Code, S. 54957.6 (a).  
Agency designated representative, Stevan Stroud.  
Employee Organization, Management Unit.
- c. Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. One Case.
- d. Public Employment - Gov. Code S. 54957.  
Treatment Plant Manager/Supervisor Appointment  
Utility Systems Director

Upon returning from closed session General Counsel Emrick announced the following actions were taken in closed session: the Board of Directors instructed its General Counsel to bring legal action against Northern Digital, Inc., for collection of sums due if payment is not made within a period of time to be set by Counsel.

The Board of Directors voted to make an offer of employment to Jeffery Shields as a contract employee for the position of Utility Systems Director. The Board authorized its General Manager to negotiate a contract for employment with Mr. Shields.

There being no further business to come before the Board, it was moved by DeGroot, seconded by Kamper, and unanimously carried, to adjourn to June 8, 2004 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary