

Manteca, California
May 27, 2003

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: DEGROOT KAMPER SCHULZ ROOS KUIL

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton 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 presented.

CONSENT CALENDAR

- A. Approval of SSJID Warrants of \$267,649.74.
- B. Approval of Regular Board Meeting Minutes of May 13, 2003 and Special Finance Committee Meeting Minutes of May 22, 2003.
- C. Rescind Recharge Fees for Service Abandonment Agreement No. 1315, APN 259-340-09.
- D. Accept improvements and authorize staff to record a Notice of Completion for the Raymond Greer Professional Office Complex Project in Escalon.
- E. Approve amending the One Year Water Sale Agreement with Rien Doornenbal.
- F. Approve Software Maintenance Contract renewal with Electric & Machinery, Inc.
- G. Approve purchase of dump truck replacement.
- H. Approve purchase of water tank and appurtenant controls.
- I. Approve FCOC Culvert replacement at Yosemite Avenue in Manteca.

Motion by DeGroot, seconded by Kamper, to approve the Consent Calendar items as presented with the exception of items "C" and "I" which are to be moved from the Consent Calendar to the Action Calendar.

PASSED AND ADOPTED this 27th day of May 2003 by the following roll call vote:

Ayes: DeGroot Kamper Schulz Roos Kuil
Noes: None

Consider cancellation of Irrigation Service Abandonment Agreement No 546 for APN 206-060-05. Landowner, Sherry Butman addressed the Board, and told the Board she would comply with the conditions of approval proposed by the Board and staff and asked the Board to cancel the agreement under the specified terms.

Motion by DeGroot, seconded by Kuil, to approve cancellation of the Agreement subject to a one year probation, as defined in a written agreement. Motion carried, 3 Ayes, 2 Noes, with Directors Kamper and Roos voting No.

President Schulz called for closed session relative litigation matters. General Counsel Emrick said the Board will be discussing item b). in closed session.

b). Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. One case.

Upon returning from closed session General Counsel Emrick announced there was no reportable action taken in closed session.

Proposal by Ken Martin of Public Finance Resources and Kevin Martin of Crocker Securities LLC concerning recommendation for District investments. Stroud said after several days of investigating the possibility of the State taking the funds we have deposited in LAIF, staff met with the Finance Committee last week and they authorized removing \$21,000,000 of the \$22,600,000 in the LAIF account. We placed the funds temporarily in the Bank of New York subject to the Board giving direction to staff for investment of the funds. Stroud introduced Kevin Martin, of Crocker Securities, LLC who told the Board that the objective of investments made by his firm would be based on the following three criteria: 1) safety, 2) liquidity, and 3) yield, in that order. He said he feels that we can meet or exceed LAIF's yield. He said we would invest in US Government and governmental agency securities and other securities that have credit ratings in the three highest rating categories by either Moody's or Standard and Poors.

He said safekeeping of the securities would be with an account held by BNY Clearing Services, LLC, a subsidiary of the Bank of New York. The accounts are insured by SIPC and additional insurance provided by Travelers up to the total net equity in any account.

Mr. Martin said liquidity is achieved by investing in securities that are readily marketable. He said the initial investment would be to allocate a portion to short term liquidity, approximately \$2,000,000 in government securities money market and \$4,000,000 in 15 to 90 day commercial paper, agency discount notes and government bills. The remainder of the portfolio would be balanced evenly from 6 months to 5 years, with an average life of 2 ½ to 3 years, unless specific future requirements are identified.

Stroud introduced Ken Martin who was retained to analyze RFP's for the \$124,000,000 to be

deposited by the cities of Manteca, Escalon, Tracy, and Lathrop for the cost of construction of the Water Treatment Plant, pipelines, etc. Ken said that his recommendation is that there is no need for a manager to invest the funds since they will be fixed term securities. Stroud asked the Board to authorize the District's Treasurer, John Stein, to work with Kevin Martin on investing of the District's funds, and to authorize Stein, or the General Manager in Stein's absence to approve investments as recommended by Kevin Martin of Crocker Securities.

Motion by Kamper, seconded by DeGroot, and unanimously carried, to authorize Kevin Martin to invest the District's funds with approval of the Treasurer or the General Manager.

President Schulz asked for a presentation of Chevron Energy Solutions Retail Electric Utility Systems Business Operations Plan. Stroud said that based on the report to be given to the Board he is asking the Board for the following:

1. Receive the Retail Electric Utility System Business Operations Plan, and
2. Approve release of the Retail Electric Utility System Business Operations Plan, and
3. To put over until June 10, 2003, further action on the Operations Plan to provide a period of time for public review and comment.

Stroud introduced Doug Ogelsby, Kris Kirakou, Sam Barracat, and Jack Stermer. They presented the Business Plan and answered questions.

Mike Atherton, Developer, addressed the Board. He told the Board that he has three developments planned for the near future and hopes the District will be able to provide power to those developments.

Paul Harbott of the Strike Zone spoke in favor of the business plan. Said he hoped we could bring lower cost power to his company located on the northeast corner of Yosemite and Cottage.

Motion by DeGroot, seconded by Kamper, and unanimously carried, accepting the business plan and authorizing staff to distribute the plan to interested parties.

Consider approval of Gate Actuator Safety Retrofit. Stroud said we have 23 actuators. District Engineer Mike Gilton designed an enclosure to protect the actuators from vandalism, prevent unauthorized tampering of the gate positions, and keep people's fingers out of the automated mechanism. We have received four bids for the cost of building the enclosures. The bids range from \$4,462 to \$13,370. Stroud recommends the Board approve the low bid from Farmers Blacksmith in Escalon. Kamper asked if they are being painted or galvanized. Stroud said they will be painted. Kamper suggested we look into having them galvanized and recommended Morrill Industries to do the galvanizing. Stroud said he would check the cost and come back to the Board for authority to galvanize.

Motion by Kamper, seconded by Roos, and unanimously carried, to authorize the purchase of 23 actuators from Farmer's Blacksmith at a cost not to exceed \$4,462.

Consider rescinding recharge fee for Service Abandonment Agreement No. 1315, APN

259-340-09.

Motion by DeGroot, seconded by Kamper, to deny the request to rescind the recharge fee as requested. Motion Carried, 3 Ayes, 2 Noes, with Directors Schulz and Roos voting No.

Considered approval of the FCOC Culvert Replacement at Yosemite Avenue in Manteca. Director DeGroot asked if we had sent out RFP's on replacement of the culvert. Gilton said we are going to send them out today or tomorrow and we hope to have the work completed by October. He said the cost is estimated at \$604,068.00, the District's share is \$304,749.67 and the City of Manteca portion is \$299,318.32. Roos asked why we are replacing it with two 6' x 8' culverts, he feels one is sufficient. Gilton said the cost of one culvert is about 65% of the cost of two, and two will give us all the capacity we need. Gilton asked the Board to find that the project is exempt from CEQA under Public Resource Code Section 21080.21, and to approve the plans and specifications and authorize a call for bids.

Motion by DeGroot, seconded by Kuil, to find the project is exempt under CEQA and approve the plans and specifications and authorize a call for bids. Motion Carried, 4 Ayes, 1 No with Director Roos voting No.

Manager's reports:

Stroud reported the following:

District wells # 68 (Bettencourt well) and # 101 (Van Ryn well), are down and scheduled for repair.

Relative to worker's compensation insurance, our broker, Matt Frediani of Cutler Segerstrom is shopping around for quotes because the carrier that we used last year no longer is available. Hopefully we will have quotes by last meeting in June.

We ran Magnacide last week. Kamper asked how often we ran it. Stroud said every 21 days, except that last time, due to low flows, we need at least 350 cfs in the canal, it was a little longer. We expect flows to be high enough for the balance of the Water Season to maintain the 21-day schedule.

In regards to new hires, we have made offers to two individuals. We are now awaiting results of their physical exams. Barring any complications, they should be on the job within a couple of weeks.

Today is the deadline for the Pest Control Applicator applications.

SIDE Project:

Asked the Board if they wanted to have Boyle give a presentation to them on the SCADA Review Study. Consensus of the Board was no, the report speaks to itself and meets the needs of the Board. Tomorrow, we will be conducting operational tests on the Northwest SIDE Project automation.

Kreinberg reported that the 404 Permit was signed and mailed last week by Fish and Wildlife. He said he will hand deliver a copy to the Corp of Engineers to expedite the 404 permit.

Emrick said the County is asking for a permit from the District to extend Victory Road. Stroud said we will be able to focus on review of that project as soon as we complete work on our County permits for the Water Treatment Plant.

Stroud reported we received a check from Central San Joaquin Water Conservation District for \$225,000 to pay for 15,000 acre feet of water we agreed to sell them.

Lateral dd off the "Rb" is inoperable. Options are either a single cell box and let the landowners put in a private line or replacement of the line by the District. Replacement in the current alignment would destroy at least two dozen trees and damage permanent set sprinklers. Staff is working with the landowners to see if a less costly alternative could be developed.

Received a letter from Ripon High Student requesting donations.

Stroud reported on the following meetings:

5/28/03, Groundwater Meeting in Stockton.

6/3/03, Temperature meeting.

6/10/03, SSJID Board Meeting.

6/14 - 6/18/03, APPA Conference in Nashville, Tennessee.

There being no further business to come before the Board it was moved by DeGroot, seconded by Kuil, and unanimously carried, to adjourn to June 10, 2003 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary

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