

Manteca, California
June 08, 2010

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 ROOS

Also present were General Manager Shields, District Counsel Emrick and Engineering Department Manager Bologna.

President Kamper called the meeting to order and asked for public comment. Mohammad ElFarra, a representative of the Islamic Center addressed the Board. He presented the Board with a letter expressing the thanks and gratitude of the entire community of the Islamic Center of Manteca, for helping them complete the pipeline replacement on their property. Mr. ElFarra said he personally wanted to thank Jeff Shields, Sam Bologna and Ron Strmiska Jr. for all their time and effort in this regards.

There being no further public comment President Kamper asked the Board to consider approving the Consent Calendar Items as presented except for changing the dates of acceptance in Items C, D & F to June 8, 2010.

CONSENT CALENDAR

- A. Warrants of \$735,935.69 and Payroll of \$315,446.53
- B. Regular Board Meeting Minutes of May 25, 2010.
- C. Accept and file Notice of Completion for work on the Lateral "B" pipeline replacement.
- D. Accept and file Notice of Completion for work on the Lateral "Kac-Qc" pipeline installation.
- E. Accept and file Notice of Completion for work on the Lateral "Qo" pipeline installation (SSJ-2009-06).
- F. Accept and file Notice of Completion for work on the Lateral "B-Ba" box installation.
- G. Authorize signing letter to San Joaquin County regarding Union Pacific Intermodal Expansion Project.

Motion by Director Holbrook, seconded by Director Roos to accept the Consent Calendar as presented.

PASSED AND ADOPTED this 8th day of June 2010 by the following roll call vote:

Ayes:	Holbrook	Kuil	Kamper	Schulz	Roos
Noes:	None				

Item #1. Presentation of 2009 Audit by Marcia Fritz & Company. Marcia Fritz and Jason Russell CPA handed out a final version of the Independent Auditor's Report for the Years ended December 31, 2009 and 2008. Ms. Fritz complemented District staff on the

professional manner in which they perform their jobs. Mr. Russell reviewed the Schedule of Findings and Responses. He said their findings were minimal and District staff responded with acceptable planned corrective actions. Bere Lindley, District's Finance/Administration Dept. Manager addressed the Board. He went through the Statements of Net Assets December 31, 2009 and 2008 and the Statement of Revenues, Expenses, and Changes in Net Assets for the same period. The Board had several questions that Bere answered to their satisfaction. Shields then thanked the auditors for making the audit process such a pleasant experience. Motion by Kuil, seconded by Roos to accept the 2009 Audit by Marci Fritz & Company. The motion carried 5 - 0

Item #2. Consider the purchase of a waste oil containment tank and secondary holding tank for the WTP. Bill Hubkey, Plant Manager told the Board that as routine maintenance is performed on the compressor station and pump stations and equipment at the Plant, waste oil and lubricants are generated. Traditionally, staff has hauled the waste material to the District Yard or directly to a vendor. It is the recommendation of staff that we purchase a 240 gallon tank from George Lowry Inc., to hold the waste oil until it is collected by a vendor. George Lowry Inc submitted a quote of \$3,016.48 to cover the cost of a waste oil tank, secondary containment, plumbing fittings, materials plus delivery, tax and labor. The cost of the system would be covered under the WTP's Capital Budget. Motion by Schulz and seconded by Kuil to approve the purchase of a waste oil containment tank and secondary holding tank from George Lowry Inc. at a cost not to exceed \$3,016.48. The motion passed 4-1, with Roos voting against.

Item #3. Consider the purchase of a used fuel dispensing system for the WTP. Hubkey explained that Director Kamper asked him to look into finding a more efficient way of fueling WTP equipment than driving to the District's yard in Manteca. Ray Simons, Shop Supervisor has located a used fuel dispensing system from George Lowry Inc., at a cost of \$6,200 plus an additional \$4,100 for associated installation costs. Hubkey ran the purchase cost of the proposed fuel system through a "payback on return" investment ratio and determined that this purchase makes good business sense. Motion by Holbrook and seconded by Kamper to authorize staff to purchase the fuel tank dispensing system and associated hardware from George Lowry Inc. The cost is not to exceed \$6,200.00 for the fuel dispensing system plus an additional \$4,100 for associated installation costs. Motion carried 4-1 with Director Roos voting no.

Item #4. Consider the purchase of an excavator and crusher bucket. Ron Strmiska Jr. addressed the Board. He explained that although the crusher was a budgeted item the excavator is not, but there are some funds available from other budget accounts. It is staff's recommendation that the Board consider purchasing both the excavator and crusher. We received three quotes, with Mecom Equipment coming in with the lowest quote at \$296,942.00. Jeff Shields told the Board that if approved we will bring an adjusted budget to the Board for approval. Kuil made a motion to purchase a new excavator with crusher bucket from Mecom Equipment at a cost not to exceed \$296,942.00. Holbrook seconded the motion. Motion passed unanimously.

Item #5. Consider purchase of a Trail King Tilt Trailer from Pape Machinery Inc. Ron Strmiska Jr. explained to the Board that this is a budgeted item. Ray Simons received two bids with the lowest coming from Pape Machinery. Motion was by Kuil, seconded by Holbrook, to purchase a Trail King Tilt Trailer from Pape Machinery at a cost not to exceed \$25,287.50. Motion carried unanimously.

President Kamper said that Item #6. Compensation adjustment for General Manager and General Counsel would be deferred until after Executive Session.

Item #6. The date of the next Board Meeting to be changed due to conflict with the APPA conference in Orlando, Florida. Motion was by Kuil and seconded by Holbrook to change the date of the next Regular Board Meeting from June 22 to June 29. Motion carried unanimously.

President asked for Directors reports.

Director Holbrook:

- Said he and Jeff will be hosting a tour of the WTP and Goodwin Dam for two representatives from Burns & McDonnell Engineering Company, Inc. on Thursday, June 10th.

Bill Hubkey reported on the following:

- CBI will start repairing the paint on the reservoirs today. This work is covered under the warranty.
- Tesco has completed its phase of the "POP" project.
- The City of Manteca has removed the backflow jumper on the M-1 line and a 24" spool was installed. Early August is the projected start date.
- Plant staff and the cities of Manteca, Tracy and Lathrop practiced a water quality drill on June 2 per CDPH requirements. Plant staff is reviewing notes and will share our evaluation with the participating cities.
- Ergonomic training will begin this week for all Plant staff.

Don Battles, Utility Systems Manager report:

- Conergy was on site at the Solar Plant last week to do bi-yearly maintenance.
- They will be testing new bushings and if successful they will replace the old ones.

Don Thornburg, HR Analyst introduced Laura Simon, the District's Insurance Broker. Ms. Simons handed out a Summary of Federal Health Care Reform Law. She covered a few items in the new law that could impact the District's health insurance coverage. Ms. Simons told the Board that at this point nothing is concrete as far as how this law will play out. The Board thanked her for the update.

General Managers Report:

- Handed out 7 Day Water Usage Reports along with a copy of a report from last year showing the same time period. May 30, 2009 season to date District water usage - 66,770.77 AcFt. May 29, 2010 season to date water usage - 52,770.77 AcFt. Difference due in large part because of unseasonably cool, wet Spring.
- Handed out Tri-Dam Daily Report dated June 7, 2010.
- Asked Board if they were interested in pursuing a ground water recharge program, using our water on fallow land rather than go to the drains. Board indicated they were interested if it would be considered "beneficial use".
- Will be speaking at the Modesto Rotary Club concerning the SavetheStan efforts. Also indicated that the SavetheStan Website is up and running.

- Upcoming fundraiser opportunities: Hope Ministries on June the 16 and Leroy Ornellas Fundraiser on June 25.
- Received a Proclamation from the City of Ripon in recognition of Shields attendance at the One Voice Trip in Washington DC on the City's behalf.
- Attended a meeting in Sacramento with Black & Veatch in regards to cost allocation for the City of Lathrop to sell a portion of their capacity in the Treatment Plant to the City of Ripon.
- Admin position at the WTP will be vacant after this week due to Ms. Seeley's retirement. Staff is working on a new job description and pay scale for this opening.
- Water Department has an opening for which HR will begin reviewing applications, testing and conducting interviews soon.

President Kamper called for closed session. General Counsel, Emrick stated the Board will discuss the following items in closed session.

- a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- 2 cases
- b. CONFERENCE WITH LEGAL COUNSEL-
Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 - 1 case
Various water quality proceedings before State Water Resources Control Board—Delta Flow Criteria, San Joaquin River Flow Objectives
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
California Government Code Section 54656.8

Property: APN 208-070-35
Agency Negotiator: General Manager
Negotiating Parties: District and current property owner
Under Negotiation: Price and Terms of Payment

Property: APN 198-030-08, 15
Agency Negotiator: General Manager
Negotiating Parties: District and Union Pacific Railroad
Under Negotiation: Price and Terms of Payment

Property: Water
Agency Negotiators: General Manager and General Counsel
Negotiating parties: District and San Luis & Delta Mendota Water Authority
Under Negotiation: Price and Terms of Payment
- d. CONFERENCE WITH LEGAL COUNSEL-Existing litigation
Subdivision (a) of Government Code Section 54956.9
-PG&E General Rate Case 2011- CPUC A.09-12-020

- OID & SSJID v. US Department of Commerce US District Court Case No. 1:09-cv-2452.

- e. PUBLIC EMPLOYMENT PERFORMANCE EVALUATION- California Government Code Section 54957.
Positions: General Manager
General Counsel

Upon returning from closed session, General Counsel, Emrick said there was no reportable action taken.

There being no further business to come before the Board it was moved by Director Holbrook, seconded by Director Roos, and unanimously carried to adjourn to June 29, 2010 at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary