

Manteca, California
June 10, 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, Utility Systems Director Battles, Communications Coordinator Saylor, Water Treatment Plant Manager Hubkey, Engineering Department Manager Bologna, and Cheryl Burke, Executive Secretary.

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 items as submitted.

CONSENT CALENDAR

- A. Approval of SSJID warrant of \$616,253.60 and payrolls of \$283,698.68.
- B. Approval of SSJID Regular Board Meeting Minutes of May 27, 2008.
- C. Accept and file Notice of Completion for Lateral "W" 311 dd. Replacement Project SSJ-2007-2.
- D. Accept and file Notice of Completion for the Promenade Shops Project.
- E. Accept and file Notice of Completion for SSJID Office addition and remodeling project.
- F. Accept and file Notice of Completion for Rodoni Estates Development Project.
- G. Adopt Resolution # 08-11-V, Authorizing the Sale of Property No Longer Necessary for District purposes.

Motion by Director Holbrook, seconded by Director Roos to approve the Consent Calendar items as submitted, with the exception of Item B, change last paragraph on page 2 of May 27 Minutes, should read 909 kw not 909 kwh.

PASSED AND ADOPTED this 10th day of June by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Schulz	Roos
Noes:	None				

Matt Frediani, Cutler Segerstrom to address the Board concerning Worker's Comp Insurance Renewals of July 1, 2008. Cheryl Burke introduced Mr. Frediani. He gave the Board a 5 year history of the District's worker's comp rates, experience modifications, total cost, and payrolls. The information showed a 50%+ reduction of rates over the last 5 years, even though our payroll has increased by 84% during the same period. The increase in payroll is primarily due to adding 20 new positions at the Water Treatment Plant in 2005. Matt told the Board he has a quote for July 2008 – June 2009 from our current carrier SDRMA, and has requested quotes from several other companies, but has not received their quotes yet. He asked the Board to approve the quote of SDRMA subject to no other quotes coming in at a lower rate by June 20, 2008. The SDRMA 2008-2009 quote is \$282,484, about \$25,000 less than 2007-2008. Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried, to approve accepting SDRMA for Worker's Compensation Insurance coverage for 2008-2009 fiscal year unless another bidder comes in lower by June 20, 2008. Also, authorize execution of the agreement with SDRMA.

Consider approving Amendment to Contract with SunTechnics. Emrick said the District has a contract with SunTechnics to build a 1.6 megawatt solar project. Since we only built a 1.0 megawatt project we have been negotiating an amendment to the contract. The amendment reduces the cost from \$12,574,936 to \$7,859,335, and also reduces the energy guaranty from 100% to 90% of SunTechnics projected production. We have

monitored the project since it went online and found it exceeds the results we expected from our model. Emrick recommended the Board approve the Amended Contract and authorize the General Manager to execute same. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried to approve the Amended Contract and authorize execution of same as recommended.

Consider approving Notice of Completion for the solar project. Shields said we are not quite ready to approve the Notice of Completion. No action was taken.

Consider approving the Operations and Maintenance Agreement with SunTechnics. Battles said the O & M Agreement is at a fixed cost of \$10,000 per year, excluding the cost of equipment and other parts. Battles recommended the Board approve the O & M Agreement, subject to no-substantive changes in wording by District's counsel, and authorize the General Manager to execute same. Motion by Director Roos, seconded by Director Holbrook, to approve as recommended subject to certain wording changes and SunTechnics not changing the dollar amount. Motion carried, Ayes 4, Noes 1, with Director Kamper voting No.

President Kuil asked Battles for his report: Battles gave the Board copies of the production at the Solar farm in 15 minute intervals. He explained the averages ran from 850 kw since June 1st and 905 kw since June 6th.

Consider proposal for efficiency study at the Water Treatment Plant. Shields said he had a Consultant come out and spend a day with us. He was to give us a quote, but later declined due to time constraints on his part. Thus we will not be taking action on this item today. Director Roos asked what the staff's attitude was toward an efficiency study. Shields said they are aware the study may find some overstaffing issues. Bill Hubkey and Rich Hartman have suggested we not fill the Operator in Training position or the Mechanics position at this time. They feel that current staffing is sufficient to handle the workload. Shields said we will continue looking for someone to give an independent evaluation of staffing needs. No action was taken.

Hubkey gave his report:

Agreement with Zenon may mean additional reductions in staffing are possible. He said we are going from the Construction phase to Maintenance and Operation.

Shields said the proposed Zenon contract will eventually replace the V-2's with V-3's. Also, River Islands who paid about 1/2 of Lathrop's share of the water treatment plant cost and has rights to 3,500 acre-feet are talking to Tracy about selling some of their share for this year. Additionally, City of Stockton has approached us.

Hubkey reported the log booms have been temporarily repaired. Staff will have to build approximately 400 clamps to complete repairs. Underwater Resources reported they found damage that indicated vandalism.

Stanislaus County is looking at ways to assist us with log boom maintenance.

City of Manteca is looking at moving their pump stations into pressure mode. Lathrop also looked, but found they could not operate in pressure mode.

Plant staff are recording all equipment information and entering it into Simplicity Automated Program.

Eleven new fiber modules were removed and replaced under warranty.

Plant staff will receive training on the solar security system this week.

Consider response to Governors Declaration of Statewide Drought. Shields said SSJID does not have a short of water this year. However, we could do some things to make available extra water. If we do adopt extraordinary conservation measures, it would result in water available to sell as the Governor has asked. He said on his way back from

Los Angeles Sunday he noticed fallow land along I-5 with trees dead or dying from lack of water. The Board said we should make sure no water is wasted but stopped short of setting additional rules to do so. Director Roos asked why the Stanislaus River is at high flows this time of year. Director Schulz said to make sure we tighten up on Division Manager spills. Director Holbrook said we should keep records of what we are doing. Work with farmers on ways to conserve, and keep accurate records of what we are doing. Shields said we need to respond and sell what we save. Funds from water sales could be used to fund programs to help farmers conserve in the future. Director Holbrook said to keep an eye out for problems and make recommendations to correct. No action was taken.

Consider proposed debt financing of capital expenditure projects. Shields said he wants to make sure the Board is serious about going forward with this before the consultants spend up to \$30,000 to prepare the Official Statement. If the Board authorizes us to proceed, we will come back to the Board for additional approvals after finishing the Official Statement. This issue may help protect our property tax revenues which would be pledged for payment along with all other revenues. This issue would be pre-payable but not without charge. After discussion it was moved by Director Kamper, seconded by Director Schulz, to move forward with the issue as requested. Motion carried, Ayes 4, Noes 1, with Director Kuil voting No.

Consider cancelling the June 24, 2008 Board meeting due to the majority of the board members attending the APPA Conference.. Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried, to cancel the June 24 Board meeting. Shields said the next meeting will be held on July 8, 2008.

Consider approving amended Job Description for Finance Supervisor/System Administrator and revised wage rate: Shields said the revisions are for additional duties required of the position, New Springbrook accounting software training, and new phone systems. He recommended approval. Motion by Director Holbrook, seconded by Director Schulz, and unanimously carried to approve the revised job description as requested.

President Kuil asked for Manager's reports:

Retired Police Chief Charlie Halford's welcome reception as the new Executive Director of the Boys & Girls Club will be held Thursday evening at Jack Snyder's home.

Toured the WTP with Ripon's City Manager, City Engineer and Water Consultant at Leon Compton the City Manager's request.

Ripon City Attorney asked about PG&E's collecting on departing load charges from residents on MID service. Shields put him in touch with our experts and will do a brief presentation at their next board meeting on June 17th.

Had a request from Ron Morrow concerning the property he rents from the District. When he moved to the property in 1998, he added 35 feet to the existing 100 foot leach line at his own expense. The 100 foot line needs to be replaced at a cost of \$3,200. Would like to have authority to get it fixed. Consensus of the Board was to get it fix, and to use our staff if possible.

Relative to problem with the E line, Bologna is working with the contractor and has a meeting scheduled for this week.

Springbrook software is installed. Robin Giuntoli is currently training staff.

Prop 98 failed statewide 61% against, valley 55.4% against.

Spoke with a party relative to Methane Digester Technology. We told him we would look at it if a local dairyman was interested.

President Kuil asked for Director's reports:

Director Schulz asked about the current sump program. He said it is currently \$3,000 or ½ the cost, whichever is less. He thinks the reimbursement should be increased. Shields said Bologna is looking at this and other programs and will report back to the Board at a future date.

President Kuil asked for closed session. General Counsel Emrick said the Board will discuss the following with Counsel in closed session.

Conference with legal counsel. Existing litigation. Gov. Code, S. 54956. SSJID v. LAFCo, Superior Court, San Joaquin County, Case No. CV0302559.

Public Employment Performance Evaluation. Gov. Code, S. 54957.

Positions: General Manager, General Counsel, and
Finance Supervisor/System Administrator.

Upon returning from closed session the following action was taken:

Motion by Director Schulz, seconded by Director Roos, and unanimously carried to raise the monthly salary of the Finance Supervisor/System Administrator by \$600 per month effective June 11, 2008.

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

There being no further business to come before the Board it was moved by Director Roos, seconded by Director Kamper, and unanimously carried, to adjourn to July 8, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary