

Manteca, California  
June 12, 2007

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

Upon roll call the following members were noted present:

DIRECTORS:           KAMPER           KUIL           SCHULZ           ROOS

Also present were Secretary/Manager Stroud, District Counsel Emrick, Utility Systems Director Shields, Water Treatment Plant Manager Hubkey, Communications Coordinator Saylor, Finance/System Administrator Giuntoli, 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 items as presented.

#### CONSENT CALENDAR

- A. Approve SSJID warrants of \$1,331,273.70 and payrolls of \$269,012.83.
- B. Approve Regular Adjourned Board Meeting Minutes of May 22, 2007.
- C. Approve Irrigation Service Abandonment Agreement as follows:  
Agr # 1545    John Aretakis    APN 221-140-08    15.83 Acres

Motion by Director Roos, seconded by Director Schulz, to approve the Consent Calendar items as presented.

PASSED AND ADOPTED this 12<sup>th</sup> day of June 2007 by the following roll call vote:

Ayes:           Kamper           Kuil           Schulz           Roos  
Noes:           None

President Kuil asked the Ad Hoc committee responsible for selecting a replacement of Director DeGroot to make a recommendation. Motion by Director Roos, seconded by Director Schulz, based on interviews with three candidates; we nominate John Holbrook to be appointed to the position of Division 5 Director. Motion carried by the following vote:

Ayes:           Kuil           Schulz           Roos  
Noes:           Kamper

Consider accepting the 2006 audit as presented by Maze & Associates. Giuntoli introduced Vicki Rodriguez of Maze & Associates. Ms. Rodriguez presented the 2006 audit to the Board. Ms. Rodriguez told the Board that there is no Memorandum on Internal Control Structure because they found no material weaknesses. She said the

Distinct received an “Unqualified Opinion”, which is the highest opinion you can receive. After some discussion and questions it was moved by Director Roos, seconded by Director Schulz, and unanimously carried, to accept the 2006 audit as presented.

Consider approval of bid from for cabinetry work at the Water Treatment Plant. Hubkey said we received three bids, \$20,825, \$18,779, and \$17,316 from Perez Cabinets, Nevis Cabinets, and Mid-Way Cabinets respectively. Recommend accepting the Mid-Way bid of \$17,316, and authorizing execution of an agreement with Mid-Way for same. Motion by Director Schulz, seconded by Director Kamper, and unanimously carried, to accept the bid of Mid-Way Cabinets at \$17,316 and authorize execution of agreement.

Consider approving \$8,825 bid submitted by Underwater Resources to ensure the integrity of the Woodward Reservoir log booms. Hubkey said we need to have another inspection to make sure the booms are in good condition. Motion by Director Kamper, seconded by Director Roos, and unanimously carried, to approve the work by Underwater Resources at a cost of \$8,825.

Consider awarding annual contracts to supply chemicals required at the WTP. Hubkey went through the list of chemicals and said bids are firm except suppliers have right to raise cost for hauling if fuel goes higher. Hubkey said we bid these annually, the cost this year is slightly higher than last year. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to approve the proposals as recommended and authorizes execution of the agreements to purchase chemicals.

President Kuil asked Hubkey for his Manager’s Report.

Hubkey reported that Thursday, June 14 and Friday, June15, the WT Plant’s power will be shut down in order to wire the generator to shut off automatically.

Sludge is dry, Winn Trucking will be hauling it away starting next week.

Annual “Crane Inspection” was completed satisfactorily.

Currently delivering 18 MGD to the cities.

President Kuil thanked Hubkey and asked the Board to consider authorizing purchase of new phone system. Giuntoli told the Board that originally we were going to lease the system at \$900 per month for 60 months, with a cost of \$54,000 but we can purchase it for \$42,000. The recommendation is that we purchase the system because it will save the District money. Motion by Kamper, seconded by Schulz, and unanimously carried to authorize the purchase of the equipment at a cost of \$42,000.

Consider approving change orders for Conlin Fence Company. Bologna explained that the original contract was for \$670,535, change orders required to finish the project are \$207,604.24, and the amount remaining to be paid to Conlin is \$288,946.30. He recommended approving the change orders of \$207,604.24. Motion by Director Kamper,

seconded by Director Schulz, to approve the change order to Conlin Fence in the amount of \$207,604.24. Motion Carried, Ayes 3, Noes 1, with Director Roos voting No.

Consider approval of Security System Improvements. Stroud said we have a proposal from E&M. The total cost of the system would be \$16,124.27. However, the bid calls for a 30 day trial, and our cost is \$3,971 if we do not buy the system, which we would not do if it doesn't work satisfactorily. Stroud recommended approving E&M's proposal. Motion by Director Roos, seconded by Director Kamper, and unanimously carried, to approve as recommended.

Consider adopting Resolution 07-10-V, Authorizing the Sale of Property No Longer Necessary for District Purposes or approve the trade in to Interstate International Truck Center. Stroud said we can trade the vehicle in for \$10,500. We will attempt to sell it for up to \$15,000, if we do not sell it by the end of the month we will trade it in at \$10,500. Motion by Director Kamper, seconded by Director Schulz, to approve the trade in of vehicle #213-90 at \$10,500, and to adopt Resolution No. 07-10-V.

**RESOLUTION NO 07-10-V  
AUTHORIZING THE 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 1990 Kenworth dump truck listed below;

<b><u>DISTRICT I.D.</u></b>	<b>SERIAL NUMBER</b>
<b>213-90</b>	<b>1XKBDA9X9LJ542932</b>

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

WHEREAS, the District finds, the following value is a fair consideration for said property;

<b><u>DISTRICT I.D.</u></b>	<b><u>FAIR MARKET VALUE</u></b>
<b>#213-90</b>	<b>\$15,000.00</b>

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Assistant General Manager of the District is authorized to sell said property to whoever presents the highest cash offer, provided that the offer is equal to or exceeds the following:

**DISTRICT I.D.**

**MINIMUM PRICE**

**#213-90**

**\$10,500.00**

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 on this 12<sup>th</sup> day of June 2007 by the following roll call vote:

Ayes:	Kamper	Kuil	Roos
Noes:	Schulz		

Consider approving agreement with the USBR to change 2007 water supply. General Counsel Emrick told the Board the District sold 10,000 A.F. of water at \$150 per A.F. to the USBR, and we need approval the agreement with the USBR. After the Board informed staff that in the future they want to be involved before we sell water to anyone, it was moved by Director Schulz, seconded by Director Kamper, and unanimously carried to approve an agreement with the Department of Interior's United States Bureau of Reclamation to sell 10,000 acre feet of water, for \$1,500,000, in the form presented to the Board, USBR Agreement Number 07-20-3652 dated June 5, 2007.

Presentation on District's demand response program with B.P.L. Global. Shields said we are working with B.P.L. Global on a program called "Easy Green" which is a demand response program. The program manages residential air conditioner loads only. SSJID is the host, the program belongs to B.P.L. Global. Currently the focus of the program is Manteca. When asked why not pumps, Heidi Caroline, of B.P.L. Global said we will eventually look at all uses. The Board asked Shields about MID customers. He said that the technology would allow us to serve MID as well as PG&E customers, but we will have to get an agreement with MID to get compensated for the energy and capacity saved.

Review and possible action concerning the revised preliminary mural design as presented by John Pugh. Mr. Pugh presented his modified design and after a lengthy discussion it was the consensus of the Board to approve Mr. Pugh's design with some modifications. No action was taken.

Consider the following options for power at the Water Treatment Plant on Dodds Road:

1. Stay with PG&E at approximately \$702,000 per year.
2. Modesto Irrigation District to construct a line to the plant to be shared at a cost to the plant of \$551,604 per year.
3. Solar power: no private money, \$554,775 per year, or with private money, \$406,105 per year.

Shields handed out a table summarizing the first year's investment cost of the three options. The MID line would cost the District about \$1.2 million, but the annual energy cost including debt service on the investment is approximately the same for the cities if we use public financing to construct the solar power and annual average over 25 years of \$550,000 per year. The major difference is we will have the solar project up and running in less than a year, if we go with MID we have no control over the schedule. Therefore, Shields recommends going solar and using SunTechnics. The proposed transaction with SunTechnics is a 1.6 million megawatt solar generator at a cost of \$12.5 million, less the cost of renewable incentives. The investment would be approximately \$2 million in the case of a privately-owned solar project where the output would be purchased by the District for 7 to 15 years, during which time the District would have the option to purchase the system with no additional outlay of cash. He said if we issue bonds for an of the options we will save money since the cost of bonds is 4.4% and our current return on investments averages about 5.2%. Shields introduced Erik Blake and peter Harris of SunTechnics, and Mark Pyle of Greenock Capital, the proposed private investor. They told the Board they are ready to proceed. Staff informed the Board that all they need is for the Board to approve a deal with Sun Technics with or without Greenrock, and to authorize staff to negotiate an agreement with Greenrock. The Board had two questions, they said they want to own the property, and they want to make sure the Cities are on board with the deal. The Board was informed that at the last operating committee meeting, the city representatives favored the MID line, but this was before the latest proposal from Greenock was received. Emrick said that environmental review has to be completed before construction and if a deal is made with Sun Technics they will go ahead and do the CEQA document for the Board's consideration. After discussion the following action was taken.

Motion by Director Kamper, seconded by Director Kuil, and unanimously carried, authorizing staff to enter into a contract with Sun Technics, and to authorize staff to negotiate an agreement with Greenrock Capital.

Discuss rescheduling or cancelling second regular adjourned June Board meeting. Stroud said with three of the five Board members out of town on June 26<sup>th</sup> we need to postpone or cancel that meeting. It was the consensus of the Board to cancel the meetings scheduled for June 26, 2007 and July 10, 2007, and to schedule a special meeting on July 3, 2007. No action was taken.

President Kuil called for closed session. General Counsel Emrick announced the Board will discuss the following in closed session.

- a) Conference with legal counsel, existing litigation, Gov. Code S. 54956.9.  
SSJID v LAFCo, Super Court, San Joaquin Cty, Case # CV030255.  
SSJID v Meridian Pacific, et. al. Superior Court San Joaquin Cty Case # CV030855.

- b) Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9  
Cleo Diane Johnson  
Morgan Henderson
- c) Public Employment Performance Evaluation, Gov. Code, S. 54957. Position; Utility Systems Director.
- d) Conference with labor negotiator, Agency Negotiators: Lee Clark & Jeff Shields, Employee Organization: IBEW., Local 1245.

Upon returning from closed session the following was announced:

Motion by Director Kamper, seconded by Director Schulz, and unanimously carried, to deny the claim of Cleo Diane Johnson. Additionally, to return the claim of Morgan Henderson to Ms. Henderson, as the claim was not timely filed.

Consider compensation adjustment for Utility Systems Director. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to increase the salary by 5%, effective June 10, 2007.

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 3, 2007 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary

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