

Manteca, California
June 14, 2005

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: DEGROOT KAMPER ROOS SCHULZ KUIL

Also present were Secretary/Manager Stroud, District Counsel Emrick, Utility Systems Director Shields, Water Treatment System Manager Hubkey, Engineering Department Supervisor Bologna.

President Roos called the meeting to order and asked the Board to consider approving the Consent Calendar Items as presented.

CONSENT CALENDAR

- A. SSJID Warrants of \$3,072,574.53 and payrolls of \$193,344.16.
- B. SSJID Regular Adjourned Board Meeting Minutes of May 24, 2005 and Special Board Meeting Minutes of June 6, 2005.
- C. Revise the encroachment agreement conditions with Curt Maddex, changing the culvert pipe sizes from 42" to 30".
- D. Approve Notice of Completion for Chesapeake 2, and 3 Development.
- E. Approve the following Irrigation Service Abandonment Agreements:

AGR # 1469	APN 247-160-15	Janice Lee	1.21 Acres
AGR # 1470	APN 208-080-18	Jimmy Bayless	.58 Acres

Motion by Kuil, seconded by Schulz, and unanimously carried, to approve the Consent Calendar Items as presented.

PASSED AND ADOPTED this 14th day of June 2005 by the following roll call vote:

Ayes: DeGroot Kamper Roos Schulz Kuil
Noes: None

President Roos asked that item 5 be taken out of order. Motion by DeGroot, seconded by Kamper, and unanimously carried to hear item 5 out of order.

Discuss District's position on whether to work with the City of Manteca in using District facilities to promote development outside District boundaries (conversion of a land to urban uses). Stroud told the Board this request puts us in an awkward position. If we don't approve it, the project may not be able to move forward, but it is not the District's practice to promote the conversion of farmland. Property is currently in the City limits of Manteca. Bologna said we could either annex or do a license agreement to allow the City of Manteca to use the District's drain facilities. He said if Manteca controls the water we should have no problems with overflowing the FCOC. Kamper said we are not under any obligation to do this and wants to know why we should. DeGroot asked where the water will drain. Sam said either to the FCOC or to the Walthaou Slough. Ralph asked what costs we may bear should we do this. Stroud said legal costs and some staff time. Kuil asked who tests the water to assure containments are not flowing into our drains or laterals. Stroud said the City would be responsible today, but that could change in the future. One of the Directors asked about the Master Drain Agreement with the City of Manteca. Stroud said the City has it and as he understands they have no major problems and are preparing a written response. Mike Brinton, Public Works Director, confirmed that they are working on it. It was suggested approval of this be conditioned upon signing of the Master Drainage Agreement. Ron Cheek, engineer for Florsheim asked the Board not to hold this up with the Drainage Agreement. Schulz said he doesn't think

we should go into the drainage business. Kamper said he wants more time to consider the ramifications. Roos said he wants to do a License Agreement with no requirement that the Master Storm Drainage Agreement be completed and approved. Motion by Kuil, seconded by DeGroot, to negotiate a Leasing Agreement with the City of Manteca with a 50-year expiration. Additionally do the Agreement for the entire 1,400 acres area, not just the 80 acres.

Motion failed on a vote of 2 Ayes, DeGroot and Kuil, and 3 Noes, Kamper, Roos, and Schulz. President Roos appointed a committee, Directors DeGroot and Kuil, to work on this request. No further action was taken.

Consider approval of workers compensation insurance proposal for policy year beginning July 1, 2005. Matt Frediani our broker from Cutler & Segerstrom and James Towns, a representative from Special District Risk Management Authority appeared before the Board. Frediani told the Board he has three proposals to review. All are computed based on the additional payroll for the water treatment plant. AIG, our current carrier, has not yet provided a formal quote, but Cutler Segerstrom estimated annual premium of \$421,418, based on AIG filings with the State Insurance Commissioner. This is about a 15% rate reduction from 2004. Water Purveyors JPIA Quoted \$241,115. This is the JPIA that has not yet formed, has no members, no track record and no board of directors, but they are hoping to be formed by July 1st. Special District Risk Management Authority (SDRMA) quoted \$257,423 and Frediani recommends the Board take this proposal. James Towns, Chief Executive Office of SDRMA said they have been in business since 1986 and for the last 15 + years have had no calls for additional premiums, (retrospective premiums). He said they offer online certified safety training, which is included in the annual quote. Monthly safety materials are provided to every employee of every member. Many more accident prevention programs assist in keeping your mod-factor low and thus your premiums paid low. Both Stroud and Stein recommended approving SDRMA as our worker's comp carrier and authorizing staff to proceed as required. After discussion it was moved by Kamper, seconded by Kuil, and unanimously carried to accept the SDRMA proposal and authorize staff to proceed as required for implementation by July 1, 2005.

Authorize the Board President and General Manager to sign an Addendum to Master Encroachment Agreements with Charter Communications and Comcast. Bologna said this is the same as the other updated Master Encroachment Agreements we signed and recommended approval. Motion by Schulz, seconded by DeGroot, and unanimously carried, to authorize execution of agreements as requested above.

Consider approval of the 2004 Audit prepared by Maze & Associates. Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve the audit as submitted.

Consider approval of an Agreement with Velociter Wireless (aka Escalon Computer) to share use of the District's Tower at Van Groningen Reservoir. Stroud said we currently have Internet service at the Control Room with Escalon Computer, cost \$85.00 per month. This agreement will give them access to our tower, and give us free Internet access at the Control Room, saving \$85 per month. He recommended approval. Motion by Schulz, seconded by Kamper, and unanimously carried, to approve the agreement with Escalon Computer as presented.

Consider approval of contract extension with Fleege & Associates. Hubkey told the Board with all the reporting requirements, training, and budget work that is required he needs Niles Fleege's help and recommended the Board approve the request for increasing the contract by \$70,000 from to the current \$120,000. He recommends approval. Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve the budget increase for Fleege & Associates by \$70,000.

Consider approval of new Environmental Compliance position, job specifications and salary. Stroud said the budget reflects two new positions, this one and a Technical Systems (SCADA) Assistant. He feels this position is necessary to coordinate all the

environmental laws and regulations that we are subject to. He said failure to comply with the laws and regulations can be extremely costly. For example, IID, was recently fined over \$800,000 for compliance failures. Environmental programs and requirements have mushroomed in the last few years and show no signs of slowing in the growth of requirements. Emrick said there is a related item on the closed session agenda and he recommends waiting until the closed session to discuss it further.

Roos called for Managers Reports:

Stroud reported the following:

At the June 6th Special Board Meeting a Mr. Johnson of Escalon said his water was taken away and he did not know why or when he was going to get it back. Stroud said he investigated, found it was taken away improperly, but Mr. Johnson was told before the June 6th meeting began that he would have the water back between 7:30 and 8:00 a.m. that morning.

Reported that the accident this past weekend on Dodds Road in front of the Water Treatment Plant resulted in three deaths, a 19-year-old mother and her two small children.

Reported that the Electric Department Intern will soon be doing some modifications on the District's Web Site to improve the content and ease of maintenance. Any Director suggestions for improvement should be directed to Stroud.

Reported that our cell phone bills will drop by approximately \$450 per month (17%) as a result of changes to the plans by John Stein and Ray's Radio.

Tri-Dam meeting is here Thursday, June 16, 2005.

APPA Conference is June 18th through June 22nd.

The Water Treatment Plant Dedication is scheduled for July 14, 2005.

We applied Clear-gate on June 6th. Control is fair to good at this point. Will be doing Magnacide on either July 5th or 6th or July 12th or 13th, depending on the rate of weed growth and water deliveries.

Bill Hubkey reported that the contractor ran the plant for 7 days, and is nearly ready to be turned over to us. Asphalt is being laid today. We are not delivering water to the cities because we are waiting on SCADA radio communication at all the sites. Ray's Radio is working on it. The move into the administration building should happen this week.

Jeff Shields reported we have a letter from the IBEW indicating they would like to meet with us relative to retail power.

President Roos asked for Directors comments:

Schulz asked about the budget for Water Delivery Expenses, OID, account number 57-755 in the amount of \$197,000. Stein said he thinks this is the write off of the \$1,000,000 we paid OID and \$30,000 we pay them annually. Said he would check and let the Board know at the next meeting.

Roos asked how do we get funds for operation and maintenance at the water treatment plant. Stroud said we bill the cities in advance of incurring costs.

DeGroot asked about the trailers at the treatment plant site on Lathrop Road. Hubkey said Nolte is wrapping up their contract work and he assumes they will be moving the trailers shortly. Said he would find out for sure.

President Roos called for closed session relative to litigation matters, labor update, and personnel matters as follows:

General Counsel Emrick said the Board will discuss items a. through g. in closed session.

- a. Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9. Delta Keeper v. SSJID, Superior Court for Sacramento County, Case No 04CS00228.
- b. Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code. S. 54956.9 ©. 1 Case.
- c. Conference with legal counsel, anticipated litigation, significant exposure to litigation, Gov. Code, S. 54956.9. 1 Case.
- d. Conference with labor negotiator. Approve amendments to General Unit MOU. Agency Negotiator – Stevan Stroud, Employee Organizations: Local Union IBEW 1245, AFL-CIO.
- e. Conference with labor negotiator, Agency Negotiator – Stevan Stroud, Employee Organizations: Management Unit.
- f. Public Employee Performance Evaluation, Titles, Assistant Water Superintendents, Maintenance Department Supervisor.
- g. Conference with Real Property negotiator:

Negotiating Parties: District and Lloyd Prothers, as Trustee. Property; Stanislaus County APN 002-210-048. Agency Negotiators: Steve Long, and Steve Emrick. Under Negotiation Price.

Negotiating Parties: District and Borba Family. Property; Stanislaus County APN's 002-210-50 and 51. Agency Negotiator; Steve Long, and Steve Emrick. Under Negotiation: Price.

Upon returning from closed session the following actions were taken:

Consider personnel committee recommendations for Water Department Salary adjustment: Motion by Kuil, seconded by Schulz, to increase the Assistant Water Superintendent Nights to \$29.71 per hour. Motion Carried, Ayes 4, Noes 1, with Director Roos voting No.

Consider approval of new Environmental Compliance position, job specifications and salary range: Motion by. Motion by Kamper, seconded by DeGroot, to approve creation of the position, at the annual salary of \$64,996. Motion carried, Ayes 3, Noes 2, with Directors Kuil and Schulz voting No.

There being no further business to come before the Board it was moved by DeGroot, seconded by Schulz, and unanimously carried to adjourn to June 28, 2004 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary