

Manteca, CA
June 27, 2006

The Board of Directors of the South San Joaquin Irrigation District met in regular adjourned session in the shop lunchroom 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 Assistant General Manager/Secretary Stein, District Counsel Emrick, Operations/Water Superintendent Morrow, Engineering Department Supervisor, Bologna, Utility Systems Director Shields, and Water Treatment System Manager Hubkey.

President Roos called the meeting to order and asked if there was any 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 \$697,154.64.
- B. Approve Regular Adjourned Board Meeting Minutes of June 6, 2006.

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

PASSED AND ADOPTED this 27th day of June 2006 by the following roll call vote:

Ayes:	Kamper	Roos	Schulz	Kuil	DeGroot
Noes:	None				

President Roos asked Bill Hubkey to address the Board concerning Item #2, request for emergency generator reprogramming services. Hubkey explained that the generator at the plant needed to be reprogrammed so that it will shut off automatically when power is restored. When asked why the generator does not automatically switch off once electrical service is restored. Hubkey told the Board that to shut down the generator requires a multiple-step down sequence, and does not know the thinking behind this setup as he was part of that decision making process. After a brief discussion, a motion was made by Schulz, to award the work of reprogramming the emergency generator to General Electric at a cost of \$170 per hour not to exceed \$30,000 and to send the bill to Black and Veatch. The motion was seconded by Kuil and carried unanimously.

Hubkey then gave his report on the Nick C. DeGroot Water Treatment Plant. He told the board that Zenon was almost ready to start the 42 day test. The automated cleaning on the membranes is still not working correctly. Kuil suggested that Zenon not do the 42 day test until the automated cleaning is fixed. On a positive note, the PH levels in the water delivered to the Cities are very good. Roos thanked Hubkey and said the Board would now go to Item #1.

Jerry Donahue, Division 6 Manager addressed the Board concerning District Uniform Policy. He explained that the denim pants provided by the District were not consistently sized and it was very hard for some employees to get them to fit properly. Jerry asked the Board to consider allowing District employees to wear their own denim pants as long as they were consistent with District policy. He also asked that the Division Managers be allowed to wear, during water season, polo shirts or lighter weight button down shirts with the District logo. Ron Morrow, Water Superintendent, told the Board that he would like more time to consider the request and the Board concurred. President Roos said that the issue should be brought back before the Board, next board meeting. No action taken.

Consider adopting Resolution 06-09-P, Authorizing the conveyance by Quitclaim of Property owned by the District. Sam Bologna explained to the Board that the issue was before them on May 23, 2006. Ergonis (property owner) has paid for the property and signed a Developers Agreement outlining conditions of approval. Motion by Kamper, seconded by DeGroot to adopt Resolution 06-09-P.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 06-09-P
RESOLUTION AUTHORIZING THE CONVEYANCE BY QUITCLAIM
OF PROPERTY OWNED BY THE DISTRICT**

WHEREAS, the SOUTH SAN JOAQUIN IRRIGATION DISTRICT, hereinafter referred to as ■District•, is the title holder of property acquired by virtue of deed recorded in Vol. 419, Page 259 of San Joaquin County Records on January 27, 1933 of San Joaquin County Records, hereinafter referred to as ■Subject Property• located within a portion of Section 1, Township 2 South, Range 6 East, Mount Diablo Base and Meridian, and being more particularly described in the attached Exhibit “A”, and reserving therefrom that portion of said property to be retained as an easement and being more particularly described in attached Exhibit “B”, and

WHEREAS, the Subject Property lies adjacent to property described in documents recorded as 2004-295916 (APN 241-300-03) and Parcel “A” of Parcel Maps Vol. 13, Page 159 (APN 241-300-56) belonging to Ergonis Land Co., LP, hereinafter referred to as ■Buyer•, and

WHEREAS, Buyer wishes to purchase Subject Property from District pursuant to the terms approved by the District’s Board of Directors at their June 28, 2005 Board meeting and the time extension granted at the May 23, 2006 Board Meeting, and subject to the terms and conditions of the Developers Agreement approved June 27, 2006, and

WHEREAS, the District’s fee interest is surplus to its needs and the retained easement interest and new conveyance is adequate for all reasonable District purposes, and

WHEREAS, it is in the best interest of the District to transfer property in exchange for the new easements and the established consideration, and

WHEREAS, the relinquishment of Subject Property will coincide with improvements related to the relocation of District facilities in conjunction with the Yosemite Avenue Business Park Development project, and

WHEREAS, it is in the best interest of the South San Joaquin Irrigation District that the Subject Property be quitclaim deeded to said adjacent owners of said property in consideration for the compensation as outlined by Board action of June 28, 2005 and May 23, 2006 respectively, as follows:

1. Purchase price of \$49,377.00 for 0.45 of an acre
2. Property to be conveyed by Quitclaim Deed
3. Buyer shall be responsible for all costs related to transfer, including but not limited to, closing costs, title fees, brokerage fees, survey costs, recording fees and administration costs.
4. Sale of property shall be contingent upon compliance with any Government Code requirements that are applicable to the proposed sale.
5. Buyer shall assume all liabilities for property associated with acquisition.
6. Buyer shall convey new exclusive easements as required to serve as replacement easements for relocated irrigation and drainage facilities in accordance with policy and as directed by staff.
7. An easement shall be reserved from sale until such time as a Notice of Completion and acceptance of new facilities occurred, at which time easement shall automatically be relinquished.
8. Should pipeline work not be completed by December 31, 2006, the transaction shall become null and void and money paid for property refunded, less administration costs. At such time, the Board shall reconsider terms of sale and establish a new sale price based on current market value.

WHEREAS, the District’s Board of Directors finds as follows:

1. The foregoing findings are true
2. The District's fee interest in the Subject Property easement proposed to be quitclaim deeded is no longer necessary for District purposes, subject to conditions described above and
3. The proposed disposition of the District’s Easement in the Subject Property is categorically exempt under California Environmental Quality Act as Class 12

Project pursuant to 14 CA Adm. Code of Regulations 15112 since the surplus government property does not have significant value for wildlife habitat or other environmental purposes and the property is of such size and shape that it is incapable of independent development or use.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South San Joaquin Irrigation District hereby authorize the President and Secretary execute on behalf of the District a quitclaim deed to the Buyer disposing of the District's interest in the Subject Property, subject to the conditions described above.

PASSED AND ADOPTED this 27th day of June 2006 by the following roll call vote:

Ayes: DeGroot Kamper Roos Schulz Kuil
Noes: None

President asked for retail power report. Shields reported that the District had received a unanimous vote from the CPUC, which found our project would not result in significant harm to PG&E's remaining customers. He also reported that on the evening of June 15, the San Joaquin County Planning Commission voted unanimously to certify the EIR for the retail electric project. Based on those two actions, as well as the LAFCO staffs exhaustive review of data from both PG&E and SSJID, the LAFCO Executive Officers report recommended approval of SSJID's application. However, the LAFCO commission voted four to one against SSJID's request to pursue providing retail electrical service. Although the decision went against us, Shields felt our presentation to LAFCO responded to all Commissioners questions. In fact, the Chairman extended time to each Commissioner to get any questions they had answered prior to closing the public hearing.

Shields said District Counsel had asked to have a court reporter at the LAFCO hearing to make sure SSJID had a complete record of the meeting. The transcript provides the specific foundation for the motion made by Commissioner Giovanetti from the City of Stockton, which reads. "This proposal specifically states SSJID would acquire existing electrical distribution systems owned by Pacific Gas & Electric. I'm convinced that it will end up being an eminent domain issue. We don't have a will sell, so I will make a motion to oppose staffs recommendation".

Shields then discussed with the Board the different methods of determining the value of PG&E's facilities. He told the Board that he is working with legal counsel to determine how to respond to the LAFCO action. He stated he is also working on options that the District has for going forward. He informed the Board that the attorneys had information to discuss with the Board on the matter in closed session.

Director's Reports:

Schulz reported that he attended a portion of the LAFCO meeting and said our presentation was excellent.

Kamper agreed with Schulz that everyone we put on the stand was knowledgeable and very professional.

President asked for Manager's Report:

Acting General Manager, Stein told the Board that on Monday, June 26 the Woodward Power Plant shut down because of maintenance problems, TID indicated that they hope to have the plant running next week some time.

The District flows are running at 600 cfs and Magnacide is being applied to the MDC today.

President Roos asked the Board to go to closed session relative to litigation matters. District Counsel Emrick said the Board would discuss two items in closed session.

Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9 (c). Two Cases.

Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. One case.

Public Employment- Gov. Code, S. 54957. Performance Review-General Counsel.

Upon returning from closed session District Counsel Emrick reported there was no reportable action taken in closed session.

General Counsel Emrick further reported that after the agenda was posted we had a situation arise regarding recent difficulties in covering absences in the Water Department that may require action before the next meeting and will require reopening negotiations with the General Unit. He recommended that a motion be made to add an item to the closed session agenda on that basis to instruct John Stein as the District's negotiator in negotiations on behalf of the District with the IBEW as the employees' negotiator Motion by Kamper, seconded by Schulz, and unanimously carried to return to closed session.

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

There being no further business to come before the Board it was moved by DeGroot, seconded by Kuil, and unanimously carried to adjourn to July 11, 2006 at 9:00 A. M.

ATTEST:

Cheryl Burke, Executive Secretary