

Manteca, California
June 28, 2005

The Directors of the South San Joaquin Irrigation District met in regular adjourned session in their chambers at the hour of 8:00 a.m.

Upon roll call the following members were noted present:

DIRECTORS: KAMPER ROOS SCHULZ KUIL
ABSENT: DEGROOT

President Roos called the meeting to order and asked for public comment. They're being none he announced that the Board and staff would be doing a field review of the westerly drain facilities including Drain 11 and the FCOC.

The Board returned at 9:35 a.m. and President Roos called the meeting to order and noted that Director DeGroot was now present. Roos asked the Board to consider approving the consent calendar items as presented.

CONSENT CALENDAR

- A. SSJID warrants of \$554,758.93.
- B. Regular Board meeting minutes of June 14, 2005.
- C. Adopt Resolution 05-06-I, Authorizing Participation in the Special District Risk Management Authority Workers' Compensation Program & Resolution 05-07-I, Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities.

RESOLUTION NO.05-06-I

A RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH SAN JOAQUIN IRRIGATION DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A FIFTH AMENDED AND RESTATED JOINT POWERS AGREEMENT AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY WORKERS' COMPENSATION PROGRAM

WHEREAS, South San Joaquin Irrigation District an irrigation district duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), has determined that it is in the best interest and to the advantage of the Agency to participate for at least three full years in the workers' compensation program offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, California Government Code Section 6500 *et seq.*, provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing its members with risk financing and risk management programs; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, participation in Special District Risk Management Authority programs requires the Agency to execute and enter into a Fifth Amended and Restated Joint Powers Agreement (the "Amended and Restated JPA Agreement"); which states the purpose and powers of the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AGENCY AS FOLLOWS:

Section 1. Findings. The Agency Board of Directors hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Agency.

Section 2. Fifth Amended and Restated JPA Agreement. The Amended and Restated JPA Agreement, proposed to be executed and entered into by and between the Agency and members of the Special District Risk Management Authority, in the form presented at this meeting and on file with the Agency Secretary, is hereby approved. The District's President and Secretary ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Authority the Amended and Restated JPA Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Program Participation. The Agency Board of Directors approves participating for three full program years in Special District Risk Management Authority Workers' Compensation Program.

Section 4. Other Actions. The Authorized Officers of the Agency are each hereby authorized and directed to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 28th day of June, 2005

**RESOLUTION NO 05-07-I , JUNE 28, 2005
A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF-INSURE
WORKERS' COMPENSATION LIABILITIES**

At a meeting of the Board of Directors of the South San Joaquin Irrigation District an Irrigation District organized and existing under the laws of the State of California, held on the 28th day of June 2005, the following resolution was adopted:

RESOLVED, that the Assistant Secretary be and they are hereby severally authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities on behalf of the South San Joaquin Irrigation District and to execute any and all documents required for such application.

I, John Stein, the undersigned Assistant Secretary of the Board of the said South San Joaquin Irrigation District an Irrigation District, hereby certify that I am the Assistant Secretary of said Irrigation District, that the foregoing is a full, true and correct copy of the resolution duly passed by the Board at the meeting of said Board held on the day and at the place therein specified and that said resolution has never been revoked, rescinded, or set aside and is now in full force and effect.

- D. Approve amendments to the General Unit Memorandum of Understanding.
- E. Approve Notice of Completion for Union Ranch Development.

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

PASSED AND ADOPTED this 28th day of June 2005 by the following roll call vote:

Ayes: KAMPER ROOS SCHULZ KUIL DEGROOT
Noes: None

President Roos asked for a motion to take item 3 out of order. On a motion by DeGroot, seconded by Kamper, and unanimously carried to take item 3 out of order.

Consider request from Bianchi Ranch Partners (“the Partners) to acquire property interest of the District in conjunction with a proposed commercial shopping center project located east of Union Road on the south side of Highway 120 By-Pass in Manteca. Bologna said the Partners are requesting a commitment by the Board to sell the strip of land (1.24 acres) to them on or before April 6, 2006 at a price of \$324,086. Grace Houston of Manteca addressed the Board. She asked if the sale doesn’t go through, is her grandfather’s property (Lester Campbell) still going to get irrigation service. Bologna assured her the property would still get water, if this sale doesn’t go through as long as they have not signed an Irrigation Service Abandonment Agreement. Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve the request of Bianchi Ranch Partners as stated above, subject to the Developers Agreement being approved at a later date by the Board.

Consider request from Fred Ergonis to acquire property interest of the District in conjunction with his proposed Yosemite Avenue Business Park project located at 2320 West Yosemite Avenue, Manteca. Bologna said Mr. Ergonis wants a commitment by the Board to sell a 0.16-acre strip of land from the District for \$20,563, in addition to the 0.29 acre strip approved for sale on November 9, 2004 at a sale price of \$20,584. Offer to sell both strips will be valid until May 9, 2006 for a total of \$41,147. Motion by Kuil, seconded by Schulz, and unanimously carried, to approve the request of Mr. Ergonis as stated above, and subject to the Developer Agreement being approved at a later date by the Board.

President Roos asked the Board to discuss Out of District Service on the west side of the District. The committee, Directors DeGroot and Kuil asked the Board to consider the following questions and recommendations before reaching a decision:

1. Asked the Board to consider whether Out of District Service would hurt our present position?
2. If approved, the committee recommends a termination date of 20 years for the agreement.
3. City must agree to adopt our standards.
4. Give a drainage permit to the City of Manteca for a period of time, say 5 years, and then require the City to get its own drainage permit.

The Directors responded:

Roos said he had no problem as long as the City pays for all costs and is responsible for future costs and charges.

Schulz said he is opposed. He feels we need to look out for the people in the District, not those outside.

Kuil said he is for working with the City as long as we are protected.

DeGroot said he feels we need to work with the Cities and is for granting the City’s request.

Kamper said he supports it as long as the District is protected.

It was a consensus of the Board to direct staff to explore ramifications of honoring the request, but made it clear that such direction was not a sign that the Board would approve

service for lands outside the District, just that the Board wanted more information before considering a decision.

No action was taken.

Discuss District position on appropriate reserve levels for District's and Tri-Dam's operations and policies for funding reserves from revenues. After a lengthy discussion it was the consensus, although not unanimous, to increase the reserves to approximately Thirty Million Dollars, to leave the reserve account earnings in the accounts, thus offsetting the effects of inflation by increasing the reserves over time, and to continue to vote each time on when the money comes down. No action was taken.

Managers' reports:

Hubkey reported that the Water Treatment Plant should be delivering potable water to the cities of Tracy, Lathrop, and Manteca soon. We are waiting for the okay from the Department of Health and expect it shortly. We have moved into the operations building, the blacktop is down, and the landscaper is busy doing the landscaping.

Stroud reported the following:

The personnel committee, Schulz and Kuil, asked about recovering costs from the Water Treatment System. Stroud said we are working on a draft policy of how to allocate shared costs and will be discussing a proposal with the Board shortly. He said we have been billing them for all direct costs, but not all overhead.

The District's next Board meeting is July 12th, Tri-Dam is having theirs on Wednesday, July 13th because Steve Felte is going on vacation the following week.

The Mitchell Engineering mediation is scheduled for July 18th in the Bay Area. One Board member will need to attend.

Water usage through the 26th of June is down 27% over 2003. (2004 was not used to compare because we drained Woodward Reservoir in 2004 water year).

Next Magnacide application will be June 30th. Cleargate, which we applied 3 weeks ago, worked almost as well as Magnacide, however cost was considerably more.

USBR is giving SEWD 90,000 acre-feet of water this year. They wanted us to move 5,000 feet into 2006 sale. I told them I would not recommend doing this to the Board. Their contract is "take or pay". They can take delivery this water year and try to convince the Bureau to store it for them until next year.

State Water Board staff is looking at sediment quality objectives, which could become another problem for the District. We will monitor.

Shields reported the following:

He obtained packets from the APPA conference and will distribute when he has them together and copied.

District has filed the Application with LAFCO. Next is the CEQA Document.

Attorney General Lockyer filed a lawsuit against PG&E. SSJID is reviewing this litigation for implications on our effort to purchase the PG&E electric distribution system in our service area.

Stroud introduced Jacob Berman, a college student hired for the summer. Jacob presented some ideas for a new District web page. The consensus of the Board was to move forward with the concept of a new web page.

President Roos asked for Directors' reports:

Kuil said he went to Machado's after their irrigation and saw no damage to the "VG" pipeline.

Roos called for closed session relative to personnel matters. Stroud announced that item b) will be discussed in closed session.

Conference with labor negotiator. Agency Negotiator: Stevan Stroud. Employee Organization: Management Unit.

Upon returning from closed session Stroud reported no reportable action was taken in closed session.

There being no further business to come before the Board it was moved by DeGroot, seconded by Kamper, and unanimously carried, to adjourn to July 12, 2005 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary