

Manteca, California
June 29, 2010

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 KUIL KAMPER SCHULZ ROOS

Also present were General Manager Shields, District Counsel Emrick and Engineering Department Manager Bologna.

President Kamper called the meeting to order and asked for public comment. There being no public comment President Kamper asked the Board to consider the Consent Calendar Items.

CONSENT CALENDAR

- A. Warrants of \$773,355.43
- B. Regular Board Meeting Minutes of June 8, 2010 and Special Board Meeting Minutes of June 17, 2010.
- C. Amend District's Conflict of Interest Code to include Finance and Administration Department Manager.
- D. Accept Notice of Completion for work on Lateral "W-Wc" Pipeline Replacement Project SSJ-2009-2.
- E. Authorize acceptance of Service Abandonment Agreement and Grant of Easement for Frank Borges in accordance with condition of approval specified for proposed parcel map.
- F. Approve Service Abandonment Agreement 1592, Inez E. Wright, APN 204-100-21, 2.86 acres, Director Holbrook – Division #5.

Director Roos noted that in the Minutes of the Special Meeting a motion was made and seconded by Roos.

Motion by Director Holbrook, seconded by Director Roos to accept the Consent Calendar with a correction on the motion to the Agreement in Item F and in the Minutes of the Special Meeting on June 17.

PASSED AND ADOPTED this 29th day of June 2010 by the following roll call vote:

Ayes:	Holbrook	Kuil	Kamper	Schulz	Roos
Noes:	None				

Item #1. Frank Avila, Telemetry Systems Supervisor, Michael O Leary, IT Tech and Bere Lindley, Finance & Administration Dept Manager gave a presentation updating the

Board on the status of the WTP Microwave Radio System Project. Frank reviewed the history behind the project and gave a power point presentation outlining some of the key elements of the project. He explained that our network system will be able to deliver high reliability communications by and between District facilities, including telemetry for SCADA, security cameras, internet access and IP telephone service. Michael O'Leary addressed the Board concerning the District's future phone system using the wireless telecommunications systems. He explained that the new system will cost less than our current phone system, be comparably reliable and expandable to up to 1,400 users. Bere Lindley then asked the Board to look at the Capital Investment Analysis in their packets. He explained that the District's monthly savings with the IP telephone service is estimated to be \$936. The annual return on the investment will be 112%. Bere told the Board that we are looking at a 20 year leasing arrangement with the Cities as the best option for payment of the Water Treatment's share of the project's cost. At the end of the 20 year lease the system would still belong to the District. Frank told the Board that with the system's broadband speed we will be in a position to meet the District's future communication needs. President Kamper noted that there is no action to be taken and thanked Frank, Michael & Bere for the update.

Item #2, Approve Water Service Agreement with the City of Manteca to provide water service to the District's offices located at 11011 E. Hwy 120, Manteca, CA. Shields explained it is a simple agreement to satisfy our need for a potable water supply. Motion made by Holbrook and seconded by Schulz to approve the Water Service Agreement by and between the City of Manteca and South San Joaquin Irrigation District and authorize the General Manager to sign it. Motion carried unanimously.

Item #3, Approve extension of Master Encroachment Agreement with AT&T. Shields told the Board that the agreement will update the expired agreement the District had with AT&T. Director Holbrook pointed out several things that needed correcting in the agreement as presented. Emrick acknowledged the need to clean up the language in the agreement before it could be finalized and ready for signature. Holbrook made a motion to approve the agreement with Emrick's overview and corrections in place. Motion was seconded by Kuil and unanimously approved.

Item #4, Authorize signature of Improvement Plans for the proposed extension of Atherton Drive by the City of Manteca. Bologna explained that the extension of Atherton Drive will affect a portion of the District's Lateral "Y". The plans call for relocation of 100 feet of cast in place pipeline with 130 feet of new RGRCP across the proposed road. In addition to plan approval, the Board is being asked to approve and authorize signature of appurtenant documents. Motion by Holbrook, seconded by Roos to authorize approval of plans and appurtenant documents including Grant of Easement, Encroachment Agreement, Structure Permit, Construction Permit, Quitclaim and other standard agreements and stipulations relative to project approval in accordance with District standards. Motion passed unanimously.

President Kamper asked for the Water Treatment System Manager's Report. Bill Hubkey addressed the Board.

- CBI is currently at the Plant stripping and repainting the treated water reservoirs. All the work is being covered under warranty
- The DAF units have been drained and cleaned in anticipation of increased demand during the summer months.
- Contractors are re-caulking drying bed #4.
- Jason McCulloch is now shift certified.
- Justin Ashworth has passed his T5 exam.

Shields said he wanted to thank Bill and the rest of the WTP staff for being successful in cutting the overtime costs at the Plant.

Item #5, Consider Worker's Compensation renewal with SDRMA. Thornburg introduced Matt Frediani of Cutler Segerstrom Insurance Agency. Mr. Frediani handed out a brief summary outlining the District's Workers Compensation history. He also provided the Board with a list of insurance agencies that he requested quotes from. The rate quoted from SDRMA is the same as last year's rates. Frediani recommends the District renew with SDRMA. Motion by Kuil, seconded by Roos to approve renewal with SDRMA as presented. Motion passed unanimously.

Item #6, Reports on the APPA Conference, June 20-23.

Director Schulz said that he enjoyed the conference and that the seminars were good, particularly the one on hiring and retention of qualified employees. He also mentioned the example of an East Bay city that brings in high school students as interns in the electric utility department where they learn skills for employment after graduation.

Director Kuil reported that the seminars were very good. One of the seminars he attended was on the grid 101. Because electricity is cheap right now the longest term that contracts are being offered is 2 years.

Director Holbrook reported that he attended a pre-seminar on Smart Grid 101 and the presenter, Ted Kelly was from Burns and McDonnell, the same engineering firm that toured our facilities earlier this month. He said he also attended a seminar entitled Public Power is Good for Business. Two points stressed were reliability and quality of power. He said he really enjoys speaking to the vendors and being exposed to the wealth of information available there. Lastly, he and Denise attended the Day of Giving sponsored by APPA. They spent a day pulling weeds and cleaning up around the housing complex for "HOME" is a public housing project to help homeless mothers and their children improve their job skills so that they can get back in the workforce.

Director Kamper said he attended seminar outlining the MP3 program, a public power peer review process. He said the seminars are very good but feels the real benefit to attending this conference is the chance to network with other agencies from across the country.

GM Shields said attended several very good seminars at the conference, including a presentation by an ex Disney public rep, on how to work with staff and public. Also learned a little more about the APPA Power Pac.

Emrick reported that he attended a preconference on small utilities, rate designs and demand response.

President asked for Directors reports.

Director Holbrook:

- Said he would like the Board to consider changing the District's sponsorship status with ACWA from it's current Silver Level to that of Gold Level for 2010 in acknowledgement of ACWA's Centennial.
- Said he received 3 identical mailers from PG&E and would like to challenge PG&E to use some "common sense" so that they may better serve their customers.

Director Roos:

- Attended the Leroy Ornellas Fundraiser on June 25th. It was very informative.

Don Battles, Utility Systems Manager report:

- Because of the dry weather, the solar panels need to be washed off. Starting in early July, they will be washed every 5 to 6 weeks.
- With the warmer weather, the solar project has produced up to 14,000 kw in a single day.
- Reporting on the APPA, he said he finds real value in talking to the vendors and people representing utilities from around the country.

Bere Lindley handed out May Financial Statements. He explained that the new format will include reports such as a consolidated monthly statement, year to date comparison to budget, year to date and a year to date comparison to last year. He said the format will also help prepare our systems to handle any new services the District may provide in the future.

Director Roos questioned why so many of the work orders for the POP project are over budget. Shields said he would look into that issue.

General Manager Report:

- Will be speaking at the general rate case, July 8, 9 & 12.
- The PUC approved PG&E's request for a 36.6 million dollar increase but PG&E can't say how much the increase will affect customers bills.
- SavetheStan campaign is getting good coverage and positive feedback
- Will be interviewed at the Modesto Bee Wednesday afternoon concerning the SavetheStan initiative.
- Handed out the Tri-Dam daily report and the District's weekly water use report.

Approved Encroachment Agreement with Albert Boyce Jr. APN 241-330-11 to encroach upon Drain 11 with a 15” pvc irrigation pipeline.

Approved Structure Permit to Matthew Franscella, APN 203-220-69 for installation of a 24” valve on Lateral Kac-Bkf @ Station 44+/-.

Troylene Saylor addressed the Board concerning upcoming events:

- Ripon Chamber installation on the 15th of July. If interested in attending please let her know, tickets need to be ordered by July 9.
- Escalon Park Fete, July 9 & 10. Booth is fully staffed but invited Directors to attend if possible.
- District is sponsoring Movies in the Park in Manteca on July 17 & 31.
- Will be sponsoring a mixer for the South San Joaquin Hispanic Chamber in our Board room on August 11, 5-7 p.m.

President Kamper called for closed session. General Counsel, Emrick stated the Board will discuss the following items in closed session.

- a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- 2 cases
- b. CONFERENCE WITH LEGAL COUNSEL-
Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 - 1 case
Various water quality proceedings before State Water Resources Control Board—Delta Flow Criteria, San Joaquin River Flow Objectives
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
California Government Code Section 54656.8

Property: APN 208-070-24 & 35
Agency Negotiator: General Manager
Negotiating Parties: Current owner
Under Negotiation: Price and Terms of Payment
- d. CONFERENCE WITH LEGAL COUNSEL-Existing litigation
Subdivision (a) of Government Code Section 54956.9
- PG&E General Rate Case 2011- CPUC A.09-12-020

- OID & SSJID v. US Department of Commerce US District Court Case No. 1:09-cv-2452.

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

There being no further business to come before the Board it was moved by Director Holbrook, seconded by Director Kamper and unanimously carried to adjourn to July 13, 2010 at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary