

Manteca, California
July 9, 2002

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 SCHULZ KAMPER ROOS HAWORTH

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton, and Engineering Department Supervisor Bologna.

President Kamper called the meeting to order and asked for public comment.

Kathy Smith addressed the Board as a representative for her mother, Teresa Caetano, one of the Wilma Avenue property owners in Ripon. Wilma Avenue properties are without District service due to Board Action of April 23, 2002. Ms. Smith said she has hired a contractor to install a sprinkling system at a cost of \$2,000 because her mother is unable to move the sprinklers. She asked what the status is of finding a solution to the problem. Bologna said we have received a proposal from the City of Ripon and are reviewing it, and hope to have resolution soon. Stroud said the City wants a non-potable system in that area, and they want the District to share in the cost. He said the District needs to find a feasible and economic way to get water to the Wilma Avenue area and address the safety issues due to the deterioration of Lateral "Ue" that historically delivered District water to the area. Bologna assured Mrs Caetano that the District would let her know as soon as we have some answers, and encouraged her to keep in touch with the District's Engineering Department for the most current information.

President Kamper asked the Board to consider approving the Consent Calendar items as submitted:

CONSENT CALENDAR

- A. SSJID Warrants of \$392,644.95 and payrolls of \$138,311.69.
- B. SSJID Regular adjourned Board Meeting Minutes of June 25, 2002.
- C. Service Abandonment Agreements as follows:
 - #1338 2.25 Acres APN 200-020-19 Andrew Rossi
 - #1339 13.19 Acres APN 200-020-21 Andrew Rossi
 - #1340 7.31 Acres APN 200-020-18 Ab2m Land and Cattle Company

- D. Senior Project, a graduation requirement for California Polytechnic State University, San Luis Obispo to be paid for entirely by the University. Project will model the S.I.D.E. control box pumping and valve system.
- E. Encroachment Agreement with the City of Escalon to cross Lateral "Bd" with a 6" waterline.

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

PASSED AND ADOPTED this 9th day of July 22002 by the following roll call vote.

Ayes:	DeGroot	Schulz	Kamper	Roos	Haworth
Noes:	None				

General Manager's report:

Stroud handed out the last two weeks water usage reports. Director Haworth questioned the headings on the weekly water use report. Staff will be asked to review and correct, as needed.

On Sunday, July 7th at approximately 6:00 a.m. the V ditch broke and flooded an almond orchard. A crew of 8 men repaired the break by 6:00 p.m. and water was back in the canal at 6:00 a.m. the next morning. It appears the break was caused by water overflowing the banks of the canal to the north. Investigation into the cause is continuing.

A revised Raw Water Cost Methodology proposal for the Treatment Plant Project will be submitted to the Board at the July 23rd Meeting. The 1996 report apparently was not formally approved by the Board and some refinement is needed to meet requests from the participating cities for a mechanism to stabilize the rates. One possibility we are considering is using a three year or five year rolling average to minimize variations from one year to the next, combined with initial reserves. This would maintain a positive cash flow (no District subsidy). Roos asked if we were recovering all costs incurred by the District on the Project and asked when the approximately \$400,000 advanced by the District to the Treatment Plant Project would be recouped. Stroud stated he was aware that the District was funding all Project water rights costs, but was not aware of a need to recoup funds invested earlier. He said he will find the answer and advise the Board. Stroud also stated that we do charge the Project for current costs, exclusive of staff labor costs. We will need to begin charging the Project for staff support costs before construction starts at least for the cost of the Plant Manager scheduled to be on board by the time construction starts.

Relative to retail power the District sent out 12 letters to potential customers in the Manteca

Industrial District. Additionally, we met with representatives of River Island and scheduled a meeting to discuss the level of District interest in a JPA. No commitment can be made, but the information gained could influence the business plan now being prepared.

Stroud and Steve Emrick met with a lobbyist in Sacramento last week to discuss hiring a lobbyist or joining a group who currently retains one. He said we need to keep abreast of action by the PUC and legislature relative to exit fees and other important developments. The issue will be brought back before the Board at a later date.

The following was read into the record:

Structure Permit for Minard Roorda, APN 257-240-38, to install sump and appurtenant sprinkler pump on Lateral Vg at station 58.

Encroachment Agreement for Christopher Mraz, APN 202-070-03, to encroach upon Lateral T with a swimming pool.

Structure Abandonment for Earl Green, APN 245-120-18, to abandon a 15" vent on Lateral Rdd at Station 2.

Director's reports:

Schulz asked about water deliveries to MID through the OID lateral. Emrick reported that MID and OID are considering amending the existing water-banking agreement which would allow us to move an additional 3,000 acre feet to MID this year.

Roos asked about the rerouting of the V line from Murphy Road. Stroud reported that the current estimate to reroute the V line between \$7,000,000 and \$10,000,000 depending on phasing options and the route selected. He said we are still working with the City of Ripon on the draft report and will present it to the Board in the near future.

Roos said he noticed a leak on the new line near Franzia Winery. Stroud reported that a leak near the Winery driveway had been discovered just after the tie-in, which came after the beginning of water season. Since the leak was minor, repairs by the contractor were put off until the end of the water season to prevent an adverse effect on water deliveries. Staff will investigate to insure that all leaks are repaired before the contractor is let off the hook. Franzia Winery retained sufficient money to assure repair.

Haworth said that there was no water in the ditch for a couple of days around July 2nd. He said landowners have reported leaks on the Van Till Dairy on Austin Road and on the line crossing Lyons.

Kamper reported a part of the bell missing on a pipe near Lyons Road, on property owned by Schaapman. Gilton said he will have staff look into having Wagner, the contractor who put the

line in, repair the damaged pipe.

President Kamper called for closed session relative to litigation matters, personnel matters, and labor update as follows: District Counsel Emrick reported the Board will be discussing items a) through e) in closed session.

- a) Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9. Three cases. Sierra Club vs. SSJID, Delta Keeper vs. OID, and Van Vliet vs. SSJID.
- b) Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9.
- c) Conference with labor negotiator, Agency Representative, Stevan Stroud, employee organization, Management Unit. Gov. Code, S. 54957.6.
- d) Employee performance evaluation, General Manager. Gov. Code 54957.
- e) Conference with real property negotiator. Properties: San Joaquin County Assessor's Parcel Numbers: 250230-03, 250-140-10, 252-150-03, 213-270-06, 213-270-19, 213-280-06, and 208-060-01. Negotiating parties: SSJID and its agents, Grant Kreinberg, Steve Long, and Steve Emrick with current owners of above parcels. Under negotiation: Price and terms of payment.

Upon returning from the tour, the Board announced that upon motion of DeGroot, seconded by Schulz, and carried on a 3-2 vote, with Directors Roos and Haworth opposing the motion, the Board accepted the Management Unit's latest offer, a copy of which is attached to these minutes and authorized the General Manager to enter into an agreement incorporating the agreed upon terms on a two year agreement with the Management Unit.

There being no further business to come before the Board, it was moved by Roos, seconded by DeGroot, and unanimously carried to adjourn to July 23, 2002 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary

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