

Manteca, California  
July 12, 2011

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: KAMPER KUIL HOLBROOK HOLMES ROOS

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

President Holbrook called the meeting to order and led the salute to the flag.

Holbrook asked for public comment. There being no public comment the Board was asked to consider the following Consent Calendar Items.

#### CONSENT CALENDAR

- A. Warrants of \$651,290.52 and June payroll of \$519,004.28.
- B. Special Board Meeting Minutes of June 24, 2001 and Regular Board Meeting Minutes of June 28, 2011.
- C. Approval of an Encroachment Agreement for George Fields (APN 245-230-47&78) to cross over Lateral "Ra" with two 3" and one 2" pvc lines for solar project.
- D. Consider request by Bureau of Reclamation for permission to access District property below Goodwin Dam.

President Holbrook noted that on page 2 of the June 28 Minutes, Director Kamper's motion should have included the wording "as an emergency item".

Motion by Roos, seconded by Kuil to approve the Consent Calendar with the above mentioned change.

PASSED AND ADOPTED on this 12th day of July, 2011 by the following roll call vote:

Ayes: Kamper Kuil Holbrook Holmes Roos  
Noes: None

**Item #1**, Presentation of 2010 Audit by Jason Russell, CPA of Marcia Fritz and Company. The Board was provided a copy of the audit along with the attached letters and reports. Bere Lindley told the Board that there were no significant findings in the audit this year. Mr. Russell said that the recommendations made last year have been implemented and that no recommendations were made this year. Holbrook asked about a funded ratio reference on page 65 of the annual financial report. Bere noted that there was a typo and it would be corrected in the final version. Roos also asked about the

statement on the “Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements performed in Accordance with Government Auditing Standards” letter. The sentence that concerned him was as follows: “we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies”. Jason explained that the letter is a form letter and the wording is misleading. He stated that on a latter page under, “Schedule of Findings and Responses” it states, “Our audit procedures identified no current year findings”. Motion by Roos, seconded by Holmes to accept the 2010 Audit with the correction noted above. The motion passed unanimously.

**Item #2,** Consider proposal by Insite Environmental to provide environmental review services of proposal to provide treated water to the City of Ripon. Emrick said the item was not ready to be presented to the Board at this time. President Holbrook announced the item would be tabled until the next meeting.

**Item #3,** Discussion and possible action concerning retaining a consultant for District reapportionment. Emrick announced that this item was not ready for the Board’s consideration. Holbrook said the item would be tabled until the next meeting.

**Item #4,** Set date for public hearing for discussion and adoption of Urban Water Management Plan and authorize notice of hearing. Shields told the Board that there are still outstanding issues with this document and asked that the issue be tabled until July 28. Holbrook said the item would be tabled until the next meeting.

**Item #5,** Consider amendment to terms of Division 9 fee policy for new connections. Sam Bologna told the Board that recently there has been some interest by landowners that had not opted to sign up for a connection by the September deadline. Landowners who signed up for a connection by the deadline paid a \$2,500 connection fee for valve turnout. When the Board establishment the deadline of September 30, they ruled that any late comers wanting a connection, would be billed at District cost, which will be considerably higher than \$2,500. Bologna asked the Board to reaffirm their position on fee policy for new connections. Bologna told the Board that any additional connections will be considered change orders. He said that Stantec estimates any connections will cost between 10 & 20,000 dollars without electrical connections. Kamper said he didn’t want vague numbers. Bologna said we do have a schedule of values which will be helpful in determining the cost of individual connections. Kamper made a motion to bill any additional connections at District cost per staff recommendation. Holmes seconded the motion, which passed unanimously.

**Item #6,** Consider approval of Construction Management Proposal for the Division 9 Irrigation Delivery Enhancement Project. This item consisted of two proposals by Stantec. The first proposal was to increase Stantec’s fee for engineering services by \$104,069 for additional work which has already been completed, to prepare for rebidding the project. Shields told the Board that Stantec is willing to split the cost of the first proposal, which would bring the cost down to \$50,000. The second proposal is to provide construction management services for a fee of \$938,605. The original contract for engineering services went into effect in July 2008 with Stantec’s Modesto branch. Since that time several amendments to that contract were made to reflect changes to the

scope of work and to compensate for costs that exceeded the estimates. After several failed attempts to deliver adequate plans, the project design was handed over to Stantec's Rocklin branch. Bologna told the Board that the Rocklin branch, headed by Todd Kotey, has done an admirable job of revamping the Division 9 plans and producing a biddable set of plans in a short period of time. Todd Kotey, Shawn Labanowski and Bill Cassidy of the Rocklin Stantec team were in attendance to answer Board questions. Director Roos voiced concerns over smaller pipe sizes affecting flows and water pressure. Todd told him that the pipe sizes didn't change from the original plans and that the flow models show the pressure will be more than adequate. Bologna explained that due to the additional work revamping the original plans he is asking the Board to consider the \$50,000 increase for engineering work already completed and he is asking the Board to consider Stantec's proposal to provide construction management services for an additional \$938,605. Under this contract, Todd Kotey, with his team, will handle specialized inspections, testing, design modifications and full service construction management services that will cover every aspect of project construction. Shields recommended clarifying the scope of Stantec's construction management services to include certain specifications including requirements for developing a progress schedule with specified features, and providing a monthly status report covering specified details of physical progress and accumulated costs. The details of this scope of services clarification are contained in a document titled "Division 9 Construction Management Services Proposals for Preparing, Monitoring, and Reporting on Schedule and Budget" which was provided to the Board during discussion. Shields further recommended that the required monthly status report should be due to the District no later than the second Tuesday of each month.

The agreed upon amended contract costs for both proposals will be at a "not to exceed" cost of \$988,605. Motion by Holmes, seconded by Kuil to approve both proposals, including Shields' scope of services clarifications at a "not to exceed" cost of \$988,605. Motion passed unanimously.

Director Holmes asked the Stantec team to keep in mind the landowners affected by construction and be sensitive to their concerns. Shawn Labanowski said it will be a priority to be understanding to those landowners in the area.

**Item #7,** Consider retaining Les Fong of Ken Fong and Associates to maintain a website for the Division 9 Project. Shields explained that the goal of this website will be to keep the public informed as to the progress of the project as well as providing valuable information concerning construction scheduling and contact information. There will be a link connecting the Division 9 website to [www.ssjid.com](http://www.ssjid.com). Ken Fong, Advertising has provided us a proposal of \$50 an hour. With an estimated 12 hours set up time and 2 hours a week maintenance time for 7 months, the total cost should not exceed \$4,000. Motion by Kuil, seconded by Kamper and unanimously approved to enter into an agreement with Ken Fong Advertising in an amount not to exceed \$4,000 to set up and maintain a website for Division 9 Project.

**Item #8,** Consider compensation adjustment for General Counsel to be discussed after Closed Session.

President Holbrook called for a five minute break before Directors Reports. Upon returning the following Directors reported.

Director Kamper commented that he feels it is time for the Board to address Encroachment issues. He stated that the Division 9 Project has brought to the forefront the issues associated with illegal encroachments in the District. President Holbrook announced that there will be discussion and possible action concerning illegal encroachments at the next Board meeting.

Director Holmes said he agrees that the Board needs to deal with the issue of encroachments and he also would like to schedule an Ag Committee meeting in the near future.

Director Roos reported that he and Director Kuil visited the Tulloch Project recently.

President Holbrook asked if everyone had received the SJ County Farm Bureau notice concerning a meeting and dinner scheduled for July 21 in Lodi. Also, asked the Board to mark their calendars for the upcoming CSDA Conference October 10-13 to be held in Monterey. Kuil and Roos tentatively said they would attend.

President Holbrook called for Managers Reports.

Bill Hubkey, WTP Manager, reported the following:

- Alegre Trucking will finish hauling the citric acid away this week in preparation of the caulking project.
- Staff continue to have problems with the screw compressor
- The M-1 site in Manteca is now in operation. This has caused some operational changes and challenges
- The microwave tower footing project is underway.
- Underwater resources has completed repairs and installed the new anchoring system for the log booms. They also delivered a report on the mechanical linkage system showing it is at the end of its service life.

Shields reported for Don Battles, Utility Systems Director, that the new bearings are being installed on the tracking system at the Robert O. Schulz Solar Farm.

Jeff Shields, General Manager reported the following:

- Nick C. DeGroot Water Treatment Plant is celebrating its 6<sup>th</sup> Anniversary this month.
- New Melones may have reached its peak on Monday at 96.36% full. The Stanislaus River flow at Ripon is 2400 CFS. Flows in the Stanislaus will likely remain at 2000 CFS or higher through the remainder of the year.
- Tri-Dam Reservoirs are full and power generation is running at peak production.
- Irrigation demand, year to date, is below average largely due to a slow start this spring.
- Farm Pac fundraiser will be held Friday, August 5<sup>th</sup> at the Cabral Ag Center in Stockton. This is a political fundraiser and so as such the District cannot sponsor the event.

- Division 9 growers meeting on the 7<sup>th</sup> was well attended.
- GBA Board meeting for July 13 has been cancelled. Next meeting will be August 10, 2011.
- Steve Emrick and Shields will be attending a meeting with the Bureau of Reclamation on Thursday to discuss the Warren Act Contract.

Approved the following Structure Permit:

- Randy Grimm (APN 226-130-35) to install flow meter to existing pump on Lateral "W" @ Sta. 190.

Approved the following Structure Abandonment:

- Bob Kamps (APN 245-020-39) to abandon a C-structure located on Lateral "Qf" @ Sta. 65.

Director Holbrook called for a short break before Closed Session.

General Counsel announced the Board would be discussing Items 10 a. b. c. & e. under 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 LEGAL COUNSEL  
California Government Code Section 54656.9(a)  
People of the State of California (Cal Trans) v. William F. Roland, et al,  
Superior Court of the State of California for the County of San Joaquin ,  
Case No. 16364-1.
  - e. Public Employment Performance Evaluation. Gov. Code S. 54957. -----  
General Counsel.
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Upon returning from Closed Session President Holbrook stated that a motion was made by Roos and seconded by Holmes to file a response in the Cal Trans litigation case and that open session would resume at Item #8.

**Item #8**, Consider compensation adjustment for General Counsel. Director Kamper made a motion to approve an \$8,000 yearly increase for the General Counsel, retroactive to July 1, 2011. Director Roos seconded the motion, which passed unanimously.

There being no further business to come before the Board it was moved by Director Kamper seconded by Director Holmes to adjourn to the next regularly scheduled meeting to be held Tuesday, July 26, 2011. Motion carried unanimously.

ATTEST: \_\_\_\_\_  
Cheryl Burke, Executive Secretary