

Manteca, California
July 22, 2003

The Board of Directors of the South San Joaquin Irrigation District met in regular adjourned session in their chambers at the hour of 9:00 a.m.

Upon roll call the following members were noted present:

DIRECTORS: DEGROOT KAMPER SCHULZ ROOS KUIL

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

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

Georgianne Reichelt addressed the Board and expressed her opposition to the South County Water Supply Program. She opposes it because if the plant is built and some government agency requires it to be moved who is going to pay for it? She said Woodward Reservoir would end up like Lake Powell, Mono Lake, and Lake Helena. She asked once we drain Woodward how are you going to flush toilets. She stated Woodward is for farming, not houses. She then questioned the Directors as to how much they get paid. General Counsel Emrick said if she would put her questions in writing, she would receive a written response, but the Board is not going to respond during public comment. President Schulz thanked Ms. Reichelt for her comments.

President Schulz asked the Board to consider approving the consent calendar items as follows:

CONSENT CALENDAR

- A. SSJID Warrants of \$520,119.74.
- B. Regular Board Meeting Minutes of July 8, 2003.
- C. Rescind recharge fee for Service Abandonment Agreement No 417, APN 227-380-09.

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

PASSED AND ADOPTED this 22nd day of July 2003 by the following roll call vote:

Ayes:	DeGroot	Kamper	Schulz	Roos	Kuil
Noes:	None				

Consider approving contracts and amendments to agreements for the Water Treatment Project:

- Exhibit A. Contracts for:
 - 1. Watershed Protection: Conlin Fence Co. of Stockton, CA. with a bid of \$608,200.
 - 2. Raw Water Facilities: Mitchell Engineering of San Francisco, CA. with a bid of \$10,992,263.
 - 3. Water Treatment Plant: Overaa Construction of Richmond, CA. Earlier this year, a portion of this contract covering earthwork excavation was awarded at a cost of \$350,000. The remaining amount to be awarded to Overaa is \$36,710,413, which is subject to agreement on a provision that recognizes the work previously authorized.
 - 4.
 - A. Transmission Pipeline Section 1: Ranger Pipeline, Inc. of San Francisco, CA with a bid of \$9,251,422.
 - B. Transmission Pipeline Section 2: Mountain Cascade, Inc. of Livermore, CA. with a bid of \$14,444,000.
 - C. Transmission Pipeline Section 3: C.R. Fedrick, Novato, CA. with a bid of \$9,015,340.

- D. Transmission Pipeline Section 4: Ranger Pipeline, Inc., San Francisco, CA. with a bid of \$9,659,661.50.
- E. Transmission Pipeline Section 5: Ranger Pipeline, Inc., San Francisco, CA. with a bid of \$8,357,321.
- 5. Turnout Pump Station Facilities: Auburn Contractors, Auburn, CA. with a bid of \$7,750,300.

Exhibit B. Construction Management Services: Black & Veatch. Estimated fee for these services is \$6,100,000. Additionally, Black & Veatch will need to respond to questions, review project submittals, prepare any change orders, prepare construction record drawings, and monitor the performance of the membrane units and SCADA systems. Estimated fee for these services is \$2,750,000. Total fee for all of these services is \$8,850,000.

Exhibit C. Implementation of the commitments made in the Final EIR. Environmental Science Associates (ESA) with a estimated fee of \$370,000.

Exhibit D. Outreach Services: Panagraph has developed a work plan to continue these services during the construction period. The estimated fee is \$253,200.

Exhibit E. Program Management Services: Water Resource Consultants / Grant Kreinberg. The estimated fee is \$192,100.

Exhibit F. Geomatrix Geotechnical (materials testing) work at Woodward Dam. The estimated fee for this work is \$48,100.

Exhibit G. Geotechnical investigations along the pipeline route. Geomatrix. The estimated fee for this work is \$448,010.

Exhibit H. Concrete, masonry, and related testing on the project. CTE. The estimated fee for this work is \$56,100.

Exhibit I. Replacement of survey monuments along and adjacent to the pipeline alignment. Nolte & Associates. The estimated fee for this work is \$85,636.

Exhibit J. To quantitatively assess the damage our construction activities might inflict on the pavement of county roads and conduct pavement surveys before and after construction. Nichols Consulting Engineers: The estimated fee for this work is \$225,000.

Exhibit K. We contacted Wildland, Inc., a FWS approved private mitigation bank operating in the Central Valley. They offered 10.38 acres of GGS habitat at their Pope Ranch site in Yolo County for \$25,000 per acre. Similarly, Wildland, Inc. is offering 0.10 acres of shallow water marsh habitat at their Kimball Island site in the Delta, at a cost of \$25,000 per acre. The contract between District and Wild lands requires the written approval of FWS before it is valid. Should FWS not approve the proposed mitigation sites, all money paid to Wild lands, Inc. will be refunded. Total cost of mitigation is \$262,000, \$259,500 for 10.38 acres of GGS habitat, and \$2,500 for shallow water marsh habitat.

CHANGES DURING CONSTRUCTION:

Authorize the District's General Manager to act on their behalf, between meetings, in approving all change orders up to a maximum of \$100,000 per individual change order and with a cumulative amount of \$500,000. Each Board meeting a recap of all change orders will be give to the Board of Directors.

Exhibit L. Approve agreement with San Joaquin County, subject to such changes are acceptable to the General Manager.

FISCAL IMPACT:

Exhibit M. The cost of the work summarized above totals \$117,579,066.50. The funds have been deposited by the four cities: Lathrop \$39,905,799 and Tracy \$44,983,731 on July 17, 2003; Manteca \$38,266,053 on July 18, 2003; and Escalon \$1,435,037 on July 21, 2003.

Grant Kreinberg went through the contracts and agreements, and recommended approval of the contracts, contract amendments, agreements, and policies listed

above and authorize the General Manager to execute these on behalf of the District, with such modifications as the General Manager deems necessary.

Motion by Kamper, seconded by Kuil, and unanimously carried, to accept the low bids as recommended, to authorize the General Manager to execute the necessary documents, with such modifications as the General Manager deems necessary.

Consider offer from L.G. Etherington, Jr. to purchase a strip of land owned by District located on Carrolton Road adjacent to APN 245-170-06. Bologna said we looked at this property last year, 4.39 acres, a 92.6 foot strip of land owned by the District. We ended up last year giving Mr. Etherington a 24 foot right-of-way because we could not agree on a price. Mr. Etherington is now offering us \$15,000 per acre for the 4.39 acres. He will pay cash at the close of escrow. Escrow is to close on or before October 1, 2003. Seller is to cooperate with buyer on a tax deferred exchange at no cost to seller. Closing cost to be customary for San Joaquin County. Seller to pay 6% brokerage fee to Harold Hahn Real Estate, Inc. Roos asked if we still have to offer this land to other public entities. Emrick said we will look into it before selling it. After discussion the following action was taken. Emrick said first we will have to determine if we can sell the portion fronting Mr. Etherington's property, since we own more land adjacent to his.

Motion by Roos, seconded by DeGroot, and unanimously carried, to declare the land surplus and no longer necessary for District purposes. To offer to sell the land to Mr. Etherington, should we be able to separate it from Mr. Etherington's, and after offering it to public agencies if necessary, for \$15,000 per acre net to the District. Buyer is to pay all costs.

Laura Simon of Acordia Insurance services presented quotes for District health insurance. Ms. Simon said she requested proposals from five insurance companies. Aetna refused to give a proposal. Kaiser would quote, but would not offer coverage to the Board of Directors. She received quotes from PacifiCare, Blue Cross, and Blue Shield. Our current insurance carrier, PacifiCare's quote was 27.4% above the current rate. Blue Cross was 13.9% above, and Blue Shield was 6.8% above. Ms. Simon was asked if we could keep our current doctors and use the same hospitals. She was sure the Doctors were the same, and said she would check on the hospitals, but was pretty sure they were the same. Ms. Simon recommended the District authorize the General Manager to execute an Agreement with Blue Shield.

Motion by Kuil, seconded by Roos, and unanimously carried, authorizing the General Manager to execute an Agreement with Blue Shield to be effective September 1, 2003 through August 31, 2004.

Approve Revised Division Manager Job Description and establish new Dichtender position and job description. The new MOU gives an additional \$200 per month to Division Manager's and changes the job descriptions to fit the new pay schedule. Stroud recommended the Board approve the two new job descriptions above.

Motion by Kuil, seconded by DeGroot, and unanimously carried, to approve as submitted the Revised Division Manager Job Description and the New Dichtender Job Description.

Consider award of bid for FCOC culvert replacing on Yosemite Avenue. Gilton said that McGuire Hester was the low bidder on the project. The total estimated project cost, including contingencies, is \$919,265. The District's share is \$464,765, and the City of Manteca's share is \$454,500. The Manteca City Council appropriated funds to cover their share of the total cost. Roos asked why are we doing two - 6 x 6 culverts. He feels one is all we need. Gilton said this is what the Board asked him to obtain bids on and he recommended approving the bid of McGuire Hester, \$843,362, plus contingencies of \$75,903. District share is \$464,765.

Motion by Kamper, seconded by DeGroot, to appropriate \$464,765 for replacement of the FCOC culvert crossing Yosemite Avenue. Motion carried, 4 Ayes, 1 No, with Director Roos voting No.

Approve contract with Northern Digital to link field sites to the Control Room with SCADA. Stroud asked this item be tabled until he determines if PLC programming will increase the cost of the project. The item was tabled.

Consider coating selection for Gate Actuator Safety Retrofit. Stroud said galvanizing would cost \$75 each, or \$1,725. Power Coat would cost \$175 each or \$4,025. Painting would cost approximately \$350, but would need to be repainted periodically.

Motion by Kuil, seconded by DeGroot, to paint the cages. Motion carried, 4 Ayes, 1 No, with Director Roos voting No.

President Schulz called for Manager's reports:

Stroud handed out newly revised Capital Project request forms for Directors to make requests.

Relative to John Baker's request for water on the Main Supply Canal. Oakdale Irrigation District's Manager was contacted and he said that OID is not interested in providing water.

Relative to Retail Electric Stroud offered to talk to the OID Board and attempt to answer any questions they may have.

There is interest in putting an outside door in the lunchroom, and develop an outside area for employees. If the Board has no problem with this it will be looked into further.

Magnacide will be running on July 30, 2003.

We have Muskrat problems primarily on the Main Distribution Canal. Stroud said we currently have one employee who is authorized to carry a gun and shoot the muskrats. If there is no problem he will continue this exception to the gun policy.

The Board was asked to start thinking about a date to end water deliveries this year due to the pipeline project in Woodward Reservoir, which will require draining the reservoir.

Relative to Worker's Compensation Insurance, the Insurance Committee decided to contract with AIG.

Employee Nick Fereria has passed the exams for spray applicator on his first try. Reported Ron Strmiska, Sr. plans to retire sometime in the next couple of months. Strmiska's position will be filled on or before that date unless the Board instructs him otherwise.

We currently have one employee with Carpal Tunnel. We have retained an expert in the field to look at all positions and determine if changes are necessary.

Relative to the Treatment Plant hopes to start the process in about a month to hire a Plant Superintendent.

Reported PG&E has submitted a proposal to end their bankruptcy.

The Equipment Committee (Kuil and Kamper) will need to meet next week to look at purchasing equipment.

Meetings:

7/24 San Joaquin County, CEQA Review.
9/24 - 9/26 California Water and Fisheries Tour.

Approved the following Encroachment Reports:

Randall Anderson APN 227-570-03 to encroach upon District Lateral "B" easement with a swimming pool.

Louise Schuler APN 247-020-07 to encroach upon District Lateral "Bk" easement with a driveway.

Randy Lagomarsino APN 202-410-25 to encroach upon District Lateral "T" easement with a swimming pool.

Directors' reports:

Kamper said he has a meeting tomorrow with the Ground Water Banking Authority.

Roos asked the actual rate on the securities we purchased Stein said he would put those on the next time.

President Schulz called for Closed Session relative to litigation matters, personnel matters, and labor update as follows: General Counsel Emrick reported the Board will discuss items a) through c) in closed session.

- a) Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9. Eight cases.
 1. Delta Keeper v OID.
 2. SSJID v Laro Coal and Iron-California Co., Inc.
 3. Sierra Club et al v SSJID.
 4. SSJID v Animus Covenant Trust.
 5. SSJID v John M. Azevedo.
 6. SSJID v Januario Meneses.
 7. SSJID v. Ronald Leachman.
 8. Rulemaking Proceeding No 02-01-011 before the CPUC.
- b) Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. Two cases.
- c) Public Employment: Gov. Code, S. 54957. Title: Utility Systems Development Coordinator.
- d) Conference with labor negotiator, Stevan Stroud regarding labor contract with IBEW. Gov. Code, S. 54957.6
- e) Employee performance evaluation, General Manager & General Counsel. Gov. Code, S. 54957.6.

Upon returning from closed session the Board took the following action:

Motion by DeGroot, seconded by Kamper, and unanimously carried, to increase the salaries of the following: Stevan Stroud from \$106,500 to \$115,000. Steve Emrick from \$105,000 to \$112,500. Effective date of increases is August 1, 2003.

Emrick announced that there was no reportable action taken in closed session.

Stroud asked the Board to go back to Item 6 which was tabled and consider taking action. Consider approving contract with Northern Digital to link field sites to the Control Room with SCADA. Stroud said he spoke with Frank Avila who spoke to Northern Digital and there is no additional cost for PLC programming. He recommended the Board approve the contract with Northern Digital for \$215,427.56.

Motion by DeGroot, seconded by Kamper, and unanimously carried, to approve the contract with Northern Digital as requested for \$215,427.56.

There being no further business to come before the Board it was moved by Roos, seconded by Kuil, and unanimously carried, to adjourn to August 12, 2003 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary