

Manteca, California
July 24, 2007

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 KAMPER KUIL SCHULZ ROOS

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton, Water Treatment Plant Manager Hubkey, Utility Systems Director Shields, and Communications Coordinator Saylor

President Kuil called the meeting to order and asked for public comment:

Georgiana Reichfeldt addressed the Board. She expressed her unhappiness with the growth in the District, the resulting traffic and not enough water. She indicated she is unhappy with the appointment by the Board of Directors of John Holbrook to replace Director DeGroot. She feels that he took advantage of the Manteca School Board's policy and accepted health insurance. President Kuil thanked her for her comments.

President Kuil asked the Board to consider approving the Consent Calendar Items as presented below:

CONSENT CALENDAR

- A. Approval of SSJID Warrants of \$703,020.65.
- B. Approval of Board Meeting Minutes of July 3, 2007.

Motion by Director Holbrook, seconded by Director Schulz, to approve the Consent Calendar Items as submitted.

PASSED AND ADOPTED this 24th day of July 2007 by the following roll call vote:

Ayes: Holbrook Kamper Kuil Schulz Roos
Noes: None

Consider approving cancellation of Service Abandonment Agreements #1212 & 1213. Director Kamper asked if we should look at changing the status of those who sign Irrigation Service Abandonment Agreements then later ask to cancel it. He thinks in short water years, the growers that stayed with the District should get first call on available water. It was the consensus of the Board that this should be put on a future agenda for discussion. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried to approve the cancellation of the above agreements.

Consider approving quote from Ryan Process for CIP tank inspection and cleaning at the WTP. Hubkey told the Board we need to have access to the tank, so we are asking for \$3,692 + tax and freight to install an access port to meet safety requirements. Director Holbrook asked if this was in Black & Veatch's specifications. Hubkey said it was not. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried to approve the quote from Ryan Process to add access to the tank.

Consider awarding bid to ONYX Valve Company for a complete valve assembly at the WTP. Hubkey told the Board the valve is not available from any other vendor but ONYX. Also, it must be calibrated at the factory. We have two, one on each Daf. If we lose one, we lose half the capacity of the plant. Replacement takes six to eight weeks. We are asking to purchase a spare at a cost of \$4,260. Motion by Director Holbrook, seconded Director Kamper, and unanimously carried, to approve the purchase of a spare valve from ONYX at a cost of \$4,260.

Consider awarding bid to Piper Environmental at \$6,680 for cleaning WTP storage tanks #1 and authorize the General Manager to enter into an agreement. Hubkey said the tanks are steel with epoxy linings. They need to be cleaned annually. They have a buildup of an Iron bacteria, which is non-pathogenic and has no health concerns. He said Piper will use ozone to kill the

growth. Gilton agreed the ozone will kill it. After discussion it was moved by Director Roos, seconded by Director Schulz, and unanimously carried to award the bid to Piper Environmental at \$6,680 and to authorize the General Manager to execute an agreement with same.

Approve quote from Liquid Vision for inspection and cleaning of two 3-million gallon potable water storage tanks at the WTP and authorize the General Manager to sign all necessary documents. This will be done as a follow-up to the cleaning of the tanks by Piper Environmental. They will inspect and clean the tanks. Their quote is \$13,570. Motion by Director Holbrook, seconded by Director Roos, and unanimously carried, to approve the quote of Liquid vision for \$13,570 and authorize the General Manager to execute all necessary documents.

President Kuil asked Hubkey to give his report at this time.

Reported that Underwater Resources Inc. has completed repairs of the damaged booms. He said they have recommended additional modifications and repairs. He will bring a quote back to the Board later.

Relative to membrane fiber repairs, when we have 14 or more in a section we sent it to Zenon, the manufacturer. However, after one year the number must be more than 28, and so on each year. We are currently spending 80 hours of staff time doing the repairs. Zenon has indicated they will do them with 10/16 people, taking four to six weeks to do all the sections. We are waiting for a quote to assess the benefit of such an arrangement.

We just finished and passed a recent OSHA inspection with flying colors.

Consider authorizing contract with Insite Environmental, Inc., for preparing the CEQA compliance documents for Solar Farm Project. Shields said the CEQA process should be completed no later than the first of October. The District is the lead agency of the project. We need approval of an agreement with Insite at a cost not to exceed of \$15,000. The Solar Farm should be completed by December 31, 2007; key to this is delivery of the 11,040 solar panels. Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried to approve agreement with Insite Environmental, Inc., and authorize execution of the same.

Consider awarding bid to Pro Painting at \$24,992 to paint the outside of the shop, tool room/wash rack, and parking shed. Authorize staff to execute necessary documents. Stroud recommended approval of Pro Paintings bid which was \$5,000 plus less than the other bids. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to award bid to Pro Painting as recommended and authorize execution of necessary documents.

Review status of construction of Solar Farm Project and consider approval of proposal for private financing and bonding. Emrick gave following status report of the project. He said we need a permit from the State Water Resources Control Board, cost \$700, is required for the permit. Gilton said we need to prepare a plan to prevent saturation of any material in drain water. He said it is a simple process; SWRCB wants to see we do not change permeability of the soil. Emrick said in 25 years the city can take over the land. Director Kuil asked why we are allowing this. He said he thought we were going to buy it from the cities. Stroud said he will get with the cities and see how they want to handle this and get back to the Board. Emrick gave out a letter from Black & Veatch who examined our financial model at the request of the Board, which in essence stated they confirmed the model with minor differences. They were primarily concerned with the requirement by PG&E that we split the load into two meters, currently we have only one meter. Shields said we are working on this with PG&E and they have been very helpful. Shields said that PG&E and SunTechnics engineers will meet on the site on July 30, 2007 to see how the load can be split. Emrick said our contract is conditional on successfully completing CEQA and net metering. Peter Harris from SunTechnics said costs by the time we find out about the two items will not exceed three million dollars, which is all costs other than materials; in fact it should be significantly less. Director Holbrook asked if the project is feasible under 1 MW. Emrick said he cannot answer that because they did not model for 1 MW. Schulz asked about availability of panels. Mr. Harris said we will need to order them, but should be okay per our 12/31 completion schedule. Director Roos asked what if it doesn't do what it is supposed to do, is it a 100% warranty? Mr. Harris said SunTechnics guarantees 100% of projected production. If the project does not perform as guaranteed, SunTechnics will pay us the difference. Model is based on a 3% increase in PG&E's rates, although PG&E's history is 5%, so we feel safe. Director Roos asked what we used as base PG&E kWh. Emrick said 11.9 cents

which is an average 24 hour rate. Total cost of the project is \$12,574,936. The District must cover the bond cost of \$125,000 and is responsible for providing a fence and security on the site. Emrick said we need authorization for permitting and notice to proceed. Motion by Director Holbrook, seconded by Director Schulz, unanimously carried, to authorize for permitting and notice to proceed as requested.

Review status of Easygreen demand response program. Shields reported our investment with BPLGlobal is restricted to \$4,000. He said that the PUC required PG&E and other utilities to have 3% of demand response this year, and that increase each successive year by 1%. He said he will give a formal presentation to the Board on August 14, 2007. Director Roos asked what our liability was on this program. Shields said we will discuss this at the next Board meeting. No action was taken.

President Kuil asked for General Manager's reports:

Stroud reported the following:

The new survey equipment we purchased last year took three hours to do a survey. With the old equipment it would have taken 14 hours. Additionally, it is much more accurate than the old.

Relative to copper thefts, we are hosting a demonstration on ways to reduce thefts by Micro Dot. They will be here tomorrow at 10:00 a.m. The state legislation to require more controls by the recyclers failed, so we are looking at other methods of deterring theft and working with other local agencies to enact better local controls probably a county ordinance.

Gave out a handout from APPA conference on Becoming an Employer of Choice.

On the Johnson Compensation study we received final draft job descriptions with a cover letter to all employees. The Board will need to review and approve new job descriptions but must first revise some pay rates to fit the new job descriptions. For example, Johnson Associates recommends that several current job descriptions – Laborer, Gunitite Worker, Plaster, etc. – be rolled into one called Maintenance Worker. The hourly wage for each job is different, so a single new rate must be adopted before we can implement the change.

Relative to the Woodward Reservoir improvements the WTP/cities pledged \$1,000,000 to reimburse Stanislaus County for certain water quality improvements. Currently there is \$417,000 that has not been paid. This amount will be reimbursed when the County completes the specified work and sends us an invoice.

Relative to District newsletters the request by Board President Kuil was that five versions of the District newsletter be created, with each director writing articles specific to the landowners in their division. Although this can be done, staff is recommending a single newsletter with articles by each of the Directors. After discussion it was the consensus that Board President Kuil write an article for the newsletter. If the other Directors want to contribute, they can add a paragraph or make changes and/or recommendations to the President's article. One version of the newsletter will be sent to the whole District.

Stroud reported water deliveries were 755 cfs yesterday, elevation at Woodward is approximately 209.0 feet. We are applying Magnacide today, and flows are at 500 cfs.

The camera alarm system we are testing at the N.W. SIDE are installed and working according to Frank Avila. Results of 30 day evaluation will be available next month.

President Kuil called for Directors reports:

Director Roos asked about page 7 of the Crocker Statements, where it shows a \$2,000,000 unrealized loss. Stein said he was not sure, but would find out.

Director Kuil asked why we were over budget n 11-181 by over \$210,000. Stein gave out a spreadsheet showing Budget Variances, and the reasons why each occurred. As to account 11-181, Motor Vehicles; Stein said it was primarily due to purchasing a new Dump Truck which cost \$101,828.00 and a new Water Truck which cost \$99,257.00. The Board approved both, late last December after the budget was approved.

President Kuil called for closed session: District Counsel Emrick reported the Board will be discussing items a) through f).

- a) Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9.
- b) Conference with legal counsel, anticipated litigation. Initiation of litigation. Gov. Code, S. 65956.9. One case
- c) Conference with labor negotiator. Agency negotiators, Lee Clark and Jeff Shields. Employee organization, IBEW Local 1245.
- d) Conference with real property negotiator Negotiating parties, District, Stockton East Water District, City of Stockton. Property; extension of water sale agreement. Agency Negotiator; Steve Stroud. Under negotiation; price.
- e) Conference with real property negotiator. Negotiating parties: District and MS Greenrock, LLC. Property; a portion of Stanislaus County APN 002-001-053. Agency negotiator; Jeff Shields. Under negotiation; price and terms of lease.
- f) Public Employment Performance Evaluation. Gov. Code S. 54957. Positions: General Manager and District Counsel.

Upon returning from closed session the following action was taken: Motion by Director Holbrook, seconded by Director Kuil, and unanimously carried, to complete negotiations on the term sheet and sign it. Then to negotiate final agreement and lease to Greenrock and negotiate a price with the Cities for the land.

Motion by Director Holbrook, seconded by Director Schulz, and unanimously carried, to raise the annual salaries effective July 3, 2007 as follows: General Manager \$144,000 per year, District Counsel \$139,000 per year.

There being no further business to come before the Board it was moved by Director Kamper, seconded by Director Schulz, and unanimously carried, to adjourn to August 14, 2007 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary