

Manteca, California
July 24, 2012

The Board of Directors of the South San Joaquin Irrigation District met in regular session in their chambers at the hour of 9:02 a.m. Director Holbrook called the meeting to order and Director Kamper led the flag salute.

Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL ROOS
ABSENT: NONE

Also present were General Manager Shields, General Counsel Emrick, Engineering Department Manager Sam Bologna, and Betty Garcia, Executive Secretary.

Director Holbrook asked for public comment. There was no public comment.

The Board was asked to consider the following Consent Calendar Items.

CONSENT CALENDAR

- A. Approval of Warrants of \$692,885.27
- B. Approval of Board Meeting Minutes of July 10, 2012
- C. Approval of Purchasing Policy amended to include Section 3.e regarding “Best Value”
- D. Approval of Resolution No. 12-11-Q to declare as surplus two streaming current analyzers
- E. Hauling and Disposal of sludge from the Water Treatment Plant
- F. Approval of revisions to typical sprinkler sump standard

Director Roos noted on page 1 of the minutes, he had questioned the County Dumping charges for the sludge from the Water Treatment Plant, and it was not the expense of hauling it away that was in question. He also noted on page 5 of the minutes, he asked why the nitrogen had not been included in Jim Atherstone’s report regarding the District’s well water.

A motion was made by Director Roos and seconded by Director Holmes to approve the consent calendar items with the corrections to the minutes as stated above.

PASSED AND ADOPTED on this 24th day of July 2012, by the following roll call vote:

Ayes: Holbrook, Holmes, Kamper, Kuil, Roos
Absent: None

ACTION CALENDAR

Item #1 - Update on Division 9 Project

Mr. Jeff Shaw advised the Board that the permanent radio had been reinstalled. It was discovered that the mother board of the radio had to be replaced. Mr. Shields stated the temporary radio appeared to work better than the permanent radio and suggested it could have been the heat that caused the permanent radio not to work properly. Mr. Shaw indicated there was no proof that it was a heat related issue. Mr. Avila believes the permanent radio issues were caused by defective mother boards and these radios are better because they have more bandwidth.

Mr. Shaw stated he has been working with Bere and Robin regarding the Division 9 billing. Director Kamper asked how confident he was that the amount billed would cover the power cost. He indicated the May billing could fall short, however, the June billing should be better. He stated an email would be sent out to the farmers when magnacide will be released into the water but the magnacide run will not affect the pond levels.

Mr. Todd Kotey stated there are five (5) punch list items that have not been resolved. Those items are:

- Noise on flow meters
- Pump discharges on flow meters
- Valve position indicators on “U” and “V” valves
- Soil Moisture Sensors
- VFD went out on pump; should be repaired by August 6

Mr. Shaw stated the noise issues also affects online ordering and is a dis-service to the farmers. Siemens representative continues to come out and check the issues but it is still unresolved. He indicated that he has been working with staff to get them cross trained in the order of operations, cleaning strainers, and checking valves. He met with the ditch tenders and reviewed the website with them. He said the District staff is becoming more familiar with the online system.

Mr. Holbrook asked when the three (3) year warranty for the project would take effect. Mr. Kotey stated the warranty goes into effect from the date of the Notice of Completion of the project. Mr. Shields has been communicating with Steve Essoyan in regards to finalizing the punch line items.

Item #2 – Discussion and possible action concerning soliciting contractor bids and cost responsibility for future connection to Division 9 pressurized system

Mr. Sam Bologna indicated now that the system is operational there is renewed interest of customers to tap into the pressurized system and that he would like to solicit bids for additional connections. Director Holbrook asked what the costs are to install the sumps. Mr. Bologna said the costs can be close to \$20,000. Director Kamper stated the costs can be from \$7,000 to

\$10,000. Director Kuil asked if the sump program funds could be utilized to offset the costs of installation. Mr. Bologna stated the District would apply \$3,000 towards offsetting meter costs and then pay 50% of additional installation costs. Director Holmes suggested the District begin to stock the standard equipment used in the pressurized system and that staff is trained to install turnouts using our own equipment.

A motion was made by Director Holmes and seconded by Director Kuil to solicit bids for the installation of additional connections and seek training for District staff. Once the information is received, it will be presented to the Board to determine the District's portion of the costs. Motion passed unanimously.

Item #3 – Davids Engineering presentation on pilot volumetric measurement in Lateral Qk

Mr. Jeff Davids reviewed a power point presentation with the Board. He stated there is an increasing public pressure on irrigation and urban water suppliers to improve efficiency and become more accountable. Mr. Davids outlined the mandatory requirements of SBx7-7 and said by July 31, 2012, the District must measure the volume of water delivered to customers, adopt a pricing structure based at least in part on quantity of water delivered, and implement other Efficient Water Management Practices (EWMPs) subject to local cost-effectiveness and technical feasibility. By December 31, 2012, the District shall adopt an agricultural water management plan. He stated the Doppler and Magnetic Meter is the delivery measurement recommended and meets with CWC §597 accuracy requirements with Laboratory certification.

Mr. Bologna stated the costs to implement the volumetric measurement does not include hook up to SCADA but the meters are SCADA ready. Director Holmes suggested staff give a presentation of the program at the Proposition 218 Hearing on July 31. Mr. Shields agreed.

Item #4 – Approve amendment to Rafael Villa Service Abandonment Agreement

Mr. Bologna stated this item had been brought previously to the Board at their June 12 meeting. Mr. Villa indicated he had received written permission from his neighbor, Jim Cadell, to share the existing two-way valve owned by Mr. Cadell, in lieu of installing his own valve. Director Kamper stated that he voted against approving this agreement in the past but since the owner acknowledged that he will be denied water delivery if the Division Manager determines that he is not able to properly manage his water delivery, he is willing to approve the agreement.

A motion was made by Director Kamper and seconded by Director Holmes to authorize approval of the agreement to amend Irrigation Service Abandonment Agreement subject to revisions to the standard agreement that reflects staff's recommendations. Motion passed 4 to 1, with Director Roos casting a no vote.

Item #5 – Approval to purchase pipeline locating equipment

Mr. Bologna addressed the Board stating the current practice of using a metal probe and a hammer is no longer practical and, the District needs to find a more effective way to locate the

pipelines, particularly where there is pavement or hard ground. He explained the District now requires that tracer wire be installed with all new pipeline construction. Mr. Bologna recommended against purchasing the Mala Easy Locator as the screen was difficult to read.

A motion was made by Director Kamper and seconded by Director Kuil to authorize the purchase of the ground penetrating radar unit, GSSI utility scan for \$16,021, as it better meets the District's needs than the lower cost unit, and the Pipehorn 800 HL conductive frequency unit in the amount of \$1,653. Motion passed unanimously.

Item #6 – Approval of June Financial Statements and Quarterly Report ending June 2012

Mr. Lindley addressed a concern of the Board members from the last meeting. He informed them the reason the landscaping costs were higher than normal was due to restoration of landscaping under the new microwave tower at the District office.

Mr. Lindley discussed the Division 9 revenues versus the expenses. Director Kuil asked how many total acres are being billed for power costs. Mr. Bologna said approximately 2300 acres. Mr. Lindley will provide the Board with an update of the Division 9 billing results at their next meeting. He stated all of the April bills have been paid.

He also discussed the investment reports and said overall there have been good earnings. He said the budget for the Water Treatment Plant at the end of the fiscal year was 6% under budget. The favorable variances were due mostly to vacant positions at the treatment plant, however, much was due to careful cost budgeting and management. In regards to the June financial statements, he pointed out there have been more investments and therefore, less cash balances.

Item #7 – Approval of amendment to the District's Conflict of Interest Code

Mr. Emrick stated every two years the code must be reviewed to determine if we need to add or remove a position or change disclosure categories. He said since the Board approved the revised Purchasing Policy at their last meeting, additional positions were added to those authorized to approve purchases without Board authorization. The Conflict of Interest Code has been updated to include all of those authorized, to delete those positions that are presently in the Code that either have been abolished or which do not have purchasing authority and to change the disclosure requirements for some positions

A motion was made by Director Roos and seconded by Director Holmes to approve the amendment to the District's Conflict of Interest Code and authorize the General Manager to provide the appropriate notice to the County's Registrar of Voters. Motion passed unanimously.

Item #8 – Approval to increase Cost Ceiling in agreement with Siemens PTI

Mr. Emrick addressed the Board stating the District has a contract with Siemens to advise the District regarding its proposed acquisition of the PG&E electrical distribution system. He explained that Mr. Don Battles is responsible for tracking the invoices from Siemens. Siemens has performed a significant amount of work to address issues that have arisen in the LAFCo

process, particularly concerning continuing service to existing PG&E customers outside the District's boundaries.

A motion was made by Director Kamper and seconded by Director Roos to authorize to amend the contract with Siemens in order to proceed with the work at a cost not to exceed an additional \$50,000. Motion passed unanimously.

Item #9 Compensation Adjustment for General Counsel was tabled to the next meeting.

Item #10 – Communications

Director Kamper

- He informed the Board that Jeff Shields, Bere Lindley, Sam Bologna, and he attended the 20th Anniversary Celebration of the Manteca Historical Society and Museum to accept a Certificate of Appreciation presented to the District on July 15.

Director Holmes

- He thanked staff for the party that was held in honor of Ray Hellstrom's retirement on Thursday, July 19.

Director Roos

- He discussed a California Farmer editorial that blasted the Modesto Irrigation District for their water transfer situation.

Director Holbrook

- Attended the Hydrovision Conference hosted by American Municipal Power, Inc. in Louisville, Kentucky. He said it was an excellent conference with over 320 exhibiting companies from all over the world. The theme is that more solar and more hydropower is needed.
- He mentioned the Advisory Water Commission will be taking an opposition stance on the BDCP plan to build pipe lines on canals to take water south. The Eberhardt School of Business at UOP will be hosting a meeting on the financial and beneficial cost and uses of constructing facilities to take water south.
- Agape Village Golf Tournament hosted by the Agape Village on August 21

President Holbrook asked for Managers Reports.

Bill Hubkey, Water Treatment Plant Manager

- Work is underway on Grantline Road. We have not yet received the cost estimate for Linne Road. Both sites have District assets that must be moved.
- The City of Manteca has installed a small temporary suction pump at the M-1 site. Flows have increased from 2mgd to 4 mgd.
- Paint repairs are underway at the M-3 reservoir.
- Received information from the Regional Water Quality Control Board that they will review the District's application next year. The Board's resources are limited and that is

why there is such a lag time. The District's application is about letting our citric acid waste remain on site to evaporate.

Don Battles, Utility Systems Director

- Tracker motor went out at the Solar Farm. Conergy has been notified and the gear box is to be replaced.

Troylene Saylor, Communications

- Public Works Magazine is doing an article on the Division 9 project.
- Manteca Sportsman is on August 18; the Grill and Shoot will be at 9:00 a.m.
- The local newspaper mentioned District's participation at the Escalon Park Fete. She thanked those staff members who attended.
- Agape Village tournament is on September 21

Sam Bologna, Engineering

- Water Conservation Program has received 154 applications. The District has spent over \$1,469,000 on the program.

Jeff Shields, General Manager

- WTP Operations Committee meeting was held on July 23; City of Tracy requested a 3000 acre-foot increase in their water allocation. The plant sold more raw water in fiscal year 2011/2012 than budget resulting in \$1,231,198 or \$45,222 above budget. The total fiscal year budget was \$416,111 or 6% to the good.
- Met with Jeff McPhee, owner of the ranch on the northeast side of Woodward Reservoir. Mr. McPhee would like to build a road to provide access for SSJID to the Frankenheimer Power house and north side of the reservoir in exchange for the District granting him 55 acres of property we own but do not have access to and is unusable for District purposes. He plans to develop a 10-acre pond on the land to support crop production and serve as a drainage basin to catch runoff that would otherwise flow into the lake. Both the road and the basin have value to the District. We will bring this back for the Board's consideration at a future meeting.
- Manteca Historical Society presented SSJID with a Certificate of Appreciation at their 20th Anniversary Celebration on Saturday, July 15.
- ACWA's JPIA has asked us to designate a representative and an alternate from SSJID Board or staff to serve on the JPIA governing Board.
- Ray Hellstrom retired on Friday, July 20 and Director Holmes attended his reception that was held on Thursday, July 19, recognizing 29 years of service that Ray provided SSJID. Interviews have been held and the District is prepared to make an offer to the finalist. The candidate being considered has a civil engineering license and lives in Ripon.
- On Wednesday, July 25 at 12:30 p.m. the Governor's office and US Department of Interior will make a joint announcement in Sacramento to develop three tunnels with the capacity to gravity flow 9,000 CFS under the Delta. There is a large rally and press conference scheduled to protest the announcement. Several members of the US House of Representatives and Senate will attend the oppositions rally as will many Delta governmental, agriculture, and environmental interests.

- Recognized excellent work by Jeremiah Johnson on Saturday, July 7th, for identifying a suspected wire thief at the Nile Garden Pump and contacting the Sheriff and then trailing the suspect until the Sheriff arrived and made an arrest.
- BIA's Salute to Policy Makers reception is scheduled for Monday, September 10, at 5:30 p.m. at the Brookside Country Club. Tickets are \$65.
- Distributed TriDam morning report and previous two weeks of SSJID Irrigations Water reports. Noted power prices are up about 25% driven largely by hot weather across the state.
- He submitted testimony in the CPUC Docket R12-03-014 proceeding objecting to new large municipal utilities having to assume responsibility for costs associated with PG&E purchasing Resource Adequacy reserves. My testimony is available at your request. The testimony was prepared with the support of MRW (economists) and filed by DWT (legal).

General Counsel announced the Board would be discussing items 11 a & b under Closed Session:

11. a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9
- 1 case
- 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

Upon returning, General Counsel that a motion was made by Director Kuil and seconded by Director Holmes to authorize the District to intervene in an action pending before the California Public Utilities Commission. Motion passed unanimously.

There being no further business to come before the Board, it was moved by Director Holmes and seconded by Director Kamper and unanimously agreed to adjourn the meeting.

ATTEST: _____
Betty Garcia, Executive Secretary