

Manteca, California
July 26, 2005

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 ROOS SCHULZ KUIL

Also present were Secretary/Manager Stroud, District Counsel Emrick, and District Engineer Gilton.

President Roos called the meeting to order and asked for public comment. There being none he asked the Board to consider approving the Consent Calendar Items as presented.

CONSENT CALENDAR

- A. SSJID warrants of \$654,951.57.
- B. Regular Board meeting minutes of July 12, 2005.
- C. Notice of Completion for Cal-trans Highway 120 Road Improvements Project involving Laterals “Qc”, BKF-Kac”, and “Bk”.
- D. Notice of Completion for Airport Way/Daniels Road Improvement Project by the City of Manteca as it relates to replacement of a portion of Drain 7 and the Lateral “Y” spills to Drain 7.
- E. Notice of Completion for piping of a portion of Drain 15 by John Van Vliet.
- F. Notice of Completion for pipeline sections 2 of the Water Treatment System – Mountain Cascade.

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

PASSED AND ADOPTED this 26th day of July 2005 by the following roll call vote:

Ayes:	DeGroot	Kamper	Roos	Schulz	Kuil
Noes:	None				

Discuss District’s position on lease of District facilities for storm drainage outside the District’s boundaries. Stroud said we had direction to work with the City of Manteca on this, but were asked by Directors DeGroot and Kuil to put it on the agenda. After a lengthy discussion where the Board made it clear that this is not a done deal, it was moved by Kuil, seconded by DeGroot, directing staff to meet with the City of Manteca and with the developer and come back to the Board with a recommendation. Motion Carried, Ayes 3, Noes 2, with Directors Kamper and Schulz voting No.

Update and discussion of District’s position in the draft Master Storm Drainage Agreement (MSDA) with the City of Manteca. Stroud said we continue to have some differences on the latest draft. For example, the capacity of the FCOC. We can’t accurately give a specific capacity available to the City because it depends on a variety of things, some of which are beyond District control: Amount drained by the District; Tides; and flows in Little Johns Creek. Jim Podesta, Assistant Deputy Director of Public Works for the City of Manteca said the Council directed staff to find a source of revenue for storm drainage as a priority item. At present, the main obstacle to eliminating deficiencies is limited City funds. Stroud asked the Board if they wanted us to place a higher priority for District staff time on the Master Storm Drainage Agreement alone or with the 80 acres or 1400 acres outside the District. Ron Cheek, Engineer representing Florshiem Development who is looking at developing 80 acres asked that the Board not put off the Florshiem request and finalize the Master Storm Drainage Agreement. The consensus of the Board, due to the extent of common issues, was to work on both the Master Storm Drainage Agreement and the 80-acre Florshiem development together. No action was taken.

Consider adopting Resolution No 05-08-H, naming the Water Treatment Facility the Nick C. DeGroot Water Treatment Facility. President Roos read the resolution: Motion by Schulz, seconded by Kamper, to adopt Resolution 05-08-H as submitted

RESOLUTION NO 05-08-H
SOUTH SAN JOAQUIN IRRIGATION DISTRICT
THE NICK C. DEGROOT WATER TREATMENT FACILITY

WHEREAS, Nick DeGroot has served for over 21 years as Director of the South San Joaquin Irrigation District, and

WHEREAS, from the beginning of his tenure he has encouraged efforts to improve the efficiency of the District's irrigation delivery system and the conservation of the District's water supply, and

WHEREAS, Nick DeGroot has long considered the District's conserved water as a valuable resource that should be used for the benefit of southern San Joaquin County, and its future residents, and

WHEREAS, Nick was instrumental in developing a plan to use the District's conserved water that met both local agricultural and municipal water needs and in gaining support for the plan within the District, and

WHEREAS, Nick's vision has come to fruition in the dedication on July 14, 2005, of the new water treatment facility on Dodds Road, Stanislaus County, that is now providing drinking water to the Cities of Manteca, Lathrop and Tracy and in the future will provide water to Escalon, and

WHEREAS, it is important to remember and honor those public servants whose efforts have beneficially contributed to their constituency by reminding future constituents of their dedication,

THEREFORE, BE IT RESOLVED that in sincere appreciation to Nick DeGroot for his contributions to the District and for his tireless efforts to gain support for the concept of a regional domestic water treatment facility and to bring together a coalition between the District and the four Cities to develop the new water treatment facility, the South San Joaquin Irrigation District hereby honors Nick DeGroot by declaring that the water treatment facility shall be known as the Nick C. DeGroot Water Treatment Facility.

PASSED AND ADOPTED this 26th day of July 2005 by the following roll call vote:

Ayes:	Kamper	Roos	Schulz	Kuil
Noes:	None			
Abstain:	DeGroot			

Director DeGroot thanked his fellow board members, his wife Trudy, his son Robert, and all those present for this honor.

Laura Simon, District's insurance broker addressed the Board relative to employee health insurance renewal for 2005 - 2006 contract year. Ms. Simon said she contacted 8 insurance companies, only Blue Shield and Blue Cross would offer a quote. The other companies either declined because of ongoing medical claims, or would not agree to cover the Board of Directors. Blue Shields net renewal rate was 16.9% above last year. Blue Shield's renewal rate was 18.5%, but our broker reduced their fee in order to reduce our net cost. Blue Cross quoted a 23.5% increase over the current Blue Shield rate. Ms. Simon presented an optional PPO along with the HMO. She said the PPO plan offers more choices to those covered by this kind of plan. The downside is out of pocket costs to employees would be higher. She noted the cost to the District for the PPO option was about 18.5% less than the HMO option. There is currently one District employee who has this PPO because the HMO is not offered in the County where the employee lives. She said the District could make available the PPO to all District employees, which would result in a savings to the District. She noted the MOU wouldn't allow the District

to offer only the PPO because it is not a comparable plan. District Counsel Emrick said he personally would take the PPO because of the ability to select medical services outside the network. After discussion it was moved by Schulz, seconded by Kuil, and unanimously carried, to renew the HMO with Blue Shield, but exclude offering the PPO as an option to the HMO.

Consider approval of plans for the Honest Automotive Project in Manteca subject to approval of an Interim Drainage Agreement with the City of Manteca. Motion by Schulz, seconded by DeGroot, and unanimously carried, to approve the plans of Honest Automotive as requested and direct staff to execute an Interim Drainage Agreement with the City of Manteca.

Approve and authorize the General Manager to execute a change order for Ranger Pipeline, Section 1. The \$160,000 change order is for modifying their work plan to meet the U.S. Fish & Wildlife Service's permit requirements for Giant Garter Snake habitat. President Roos asked that the Board go to closed session to discuss this item with the District Counsel. Emrick said we will discuss item d) in closed session.

- d) Conference with legal counsel, anticipated litigation, significant exposure to litigation, Gov. Code, S. 54956.9. Four Cases.

Upon returning from closed session General Counsel Emrick reported there was no reportable action taken in closed session.

President Roos asked the Board to take action on the Ranger Pipeline Change Order of \$160,000. Motion by Kuil, seconded by DeGroot to approve the \$160,000 Ranger Pipeline change order and authorize payment.

Consider approval of a Master Encroachment Agreement with the City of Manteca and authorize approval of similar agreements with Ripon and Escalon upon their execution of the same agreement. Stroud recommended approval as requested. Motion by Schulz, seconded by Kuil, and unanimously carried, to approve the Master Encroachment Agreements and authorize execution of the Agreements.

Consider approving the purchase of a man-lift for the Water Treatment Plant. Hubkey reported that the low bid was \$6,383.00 from United Rentals of Modesto. Motion by Kamper, seconded by DeGroot to authorize purchasing a man-lift from United Rentals at a cost of \$6,383.00. Motion Carried, Ayes 4, Noes 1, with Director Kuil voting No.

President Roos asked Hubkey for his report. Hubkey told the Board that Manteca and Lathrop are currently taking around 12 MGD of treated surface water. Tracy should be taking water by the end of the week, starting with 5 MGD. When asked what the Plant's capacity is? Hubkey said 38 MGD.

Review and approve Winter Work Program and authorize purchase of the materials for the program. Kuil asked about the "Vvg" lateral. He said it has several leaks and according to the Division Manager, needs to be replaced. Gilton said he would check into it. Stroud recommends approval of the program presented. Motion by Schulz, seconded by Kuil and unanimously carried, to approve the Winter Work Program and authorize purchasing materials from the low bidder, without returning to the Board.

Consider Mutual Aid Agreement concept with other utilities. Shields said the Agreement provides a framework for billing and working together, to provide services for each other during emergencies or major projects. Schulz asked about agreements with SMUD and WAPA? Shields said he would check into it. He asked the Board to approve the concept of entering into Mutual Aid Agreements and authorize staff to negotiate specific language with Turlock ID, Modesto ID, City of Lodi, Trinity PUD, Emerald PUD, SMUD and WAPA. Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve the concept and authorize staff to negotiate as requested above.

President Roos asked for Manager's reports:

Stroud reported that former General Manager Rick Martin's wife, Diane Martin had passed away. He said services will be held on Friday, July 29th at 11:00 a.m. at Allen's Mortuary in Turlock.

Reported a meeting with Stanislaus County on August 3rd relative to County Project Improvements at Woodward Reservoir.

August 18th is the next Tri-Dam meeting at SSJID.

Reported water usage is up as a result of the heat spell. However, usage for the year is still almost 20% below the 2003 season to date usage.

Ran magnacide on July 20, 2005 with no problems.

Shields reported that he will set a meeting with the IBEW Representative and Board President Roos in the near future.

Reported that power markets are quite high, primarily due to high natural gas price, high electric demand, transmission capacity limitations, and the drought in the Northwest that reduced the power they can supply.

President Roos called for closed session relative to litigation matters. District Counsel Emrick stated the Board will discuss items d) and e) in closed session.

d) Conference with legal counsel, anticipated litigation, significant exposure to litigation, Gov. Code, S. 54956.9. Four cases.

e) Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9 (a). Delta Keeper v. SSJID. Superior Court for Sacramento County, Case No. 04CS00228.

Upon returning from closed session General Counsel Emrick reported there was no reportable action taken in closed session.

There being no further business to come before the Board it was moved by Kuil, seconded by Kamper, and unanimously carried, to adjourn to August 9, 2005 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary