

Manteca, California  
July 27, 2004

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

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

President Schulz 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 \$4,073,205.02.
- B.    Regular Board Meeting Minutes of July 13, 2004.
- C.    Irrigation Service Abandonment Agreements:

Number	Name	APN#
1426	Boersma, Brothers	228-030-41
1427	Richard Townsend	228-050-09
1428	Carol Hamby	228-170-05
1429	Richard Townsend	245-200-13
1430	Richard Townsend	245-200-14
1431	Fox River Paper Co.	259-340-09

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

PASSED AND ADOPTED this 27th day of July 2004 by the following roll call vote:

Ayes:           DeGroot       Kamper       Schulz       Foos  
Noes:           None  
Absent:         None

Phase II of the lunchroom patio remodel. Gilton said we got four proposals for the patio cover, cost between \$9,000 and \$15,000. He said he recommends the ivory colored lattice structure from ABC Awning and Patio Company that is 30 feet by 25 feet. The cost is \$13,813. Remaining budget for the patio is \$25,690. Motion by Kamper, seconded by DeGroot, to approve the purchase from ABC Awning and Patio as recommended for \$13,813. Motion carried, 3 Ayes and 1 No, with Director Roos voting No.

Update District Sump Program. Gilton reported that 106 sumps were reviewed and that, other than distance from the District line and shut off valves there are no sumps overcharging our lines. This is based on information in the Lynch Manuel which states cast-in-place concrete pipe, in good condition will withstand 12 feet of head. It was concluded by the Engineering Department that all sump head pressures were within the design head of 12 feet. Some could be modified to provide more flexibility to the irrigator, but that is an individual decision, not a decision to be made by the District. A shut off valve on each sump is important, so problems with any one sump won't

adversely affect our ability to irrigate other growers. A second letter will be sent to all 106 advising them of our conclusions. No action was taken.

Presentation by Laura Simon, the District's insurance broker. Discussion and possible action concerning employee insurance. Laura gave a recap of SSJID claims and renewal. She said she looked at several different insurance plans. A partially self-insured plan had some potential savings, however there is also a potential for increased costs, based on past claim history of the District. For this reason, Ms. Simons recommended staying with an HMO plan. Blue Shield, (our current provider), Blue Cross and Kaiser provided bids. Blue Cross' bid was 28% higher than we are currently paying. Blue Shields renewal proposal is 16.9% higher, (a monthly increase of \$12,778.00). Kaiser bid was 5% over our current premium (a monthly increase of \$2,307 over last year). Blue Shield also quoted on a plan with higher deductibles and co-pays. This plan would be \$3,496 above last years premium (a 7.77% increase). Kaiser will not offer coverage for the Directors, and Stroud said he feels a change to Kaiser may require negotiation with both units. Also, Stroud said the higher deductible plan from Blue Shield will require negotiation with both units. Kamper said he thinks we should select Blue Shields option 2 and make the employees whole if they are required to pay additional monies out of pocket. The differences between the Blue Shield plans are as follows: Office visit \$10, \$20. 100% Hospitalization/\$250 Co-payment for each hospitalization. Prescriptions: \$10/20/40 Rx/\$10/25/40 with \$150 name brand Rx deductible. After discussion it was moved by Kamper, seconded by Roos, to negotiate with the operating units to accept the Blue Shield plan with higher deductibles and co-payments, with the District making the employees whole for any additional out of pocket cost. If unable to secure bargaining unit agreement by August 20th then we will renew with our current Blue Shield plan.

Motion carried, 3 Ayes, 1 Abstain, with Director DeGroot abstaining.

Update and possible action on potential sale of water to United States Bureau of Reclamation. (USBR). Based on usage to date and calculations for the remainder of the season, there will be no more water available for sale. Thus we will not be offering water for sale to the USBR. No action was taken.

Possible action concerning job vacancy, job descriptions and compensation review on Engineering Department positions. Gilton told the Board he wants to fill the vacant inspectors position. However, first he wants to change the job descriptions to better reflect the duties. He asked the Board to increase the wages to a competitive rate, based on the salary survey he completed. Gilton went through the changes in the job descriptions and then explained the salary survey. The survey was done with the cities of Turlock, Manteca, Tracy, Modesto, and with San Joaquin County for the positions of Engineering Tech 1, Facility Inspector/Tech, and Engineering Department Secretary. Director Roos asked Gilton why he didn't use irrigation districts in his survey, such as Modesto, Merced and Turlock. Gilton said they have larger staffs than us and have specialists doing the jobs, so it is sometimes harder to compare and the required skills are not unique to irrigation districts. Kamper asked why not compare with private sector? Gilton said because they will not give out the information. After discussion the following action was taken. Motion by DeGroot, seconded by Kamper, and unanimously carried, to approve filling the vacant position, change the job descriptions for the Facility Inspector /Engineering Technician, Engineering Technician/GIS Technician and the Engineering Department Secretary positions as presented, and do additional wage surveys, adding Modesto, Merced, and Turlock Irrigation Districts.

President Schulz called for Managers' reports:

Stroud reported that the District while doing construction last year used Williams Way. The owner, Paul Dole, felt we damaged the road, so we placed, watered, and rolled rock on the road last week. Mr. Dole is satisfied.

Reported there is a Construction Tour of the Water Treatment Project starting at 9:00 a.m on August 5th, at the Tracy Pumping Plant. It will end up at the plant site on Dodds Rd.

at 10:30 a.m. and a tour of the plant will be held. After the plant tour a barbeque lunch will be made available to all in attendance. Reservations are required.

Stroud will be on vacation this Friday, and August 6 through the 10th. Additionally, reported he received a jury duty notice for August 26th.

Reported the Cat Loader has an oil leak. We are in the processing of getting quotes.

Rock crusher is down, but will be back working in two weeks.

Installation of the sand, oil, and grease interceptor is nearly complete.

So far, about 2/3 of the irrigated agricultural lands in the San Joaquin County and San Joaquin Delta Water Quality Coalition have joined the coalition. Regional testing will be underway soon.

Barge on the San Joaquin River is finally in place for construction of the Water Treatment Pipeline Bridge.

All of the Cities have now approved the Agreement that settles the CEQA suit and it is being circulated for signature.

Plant Manager will be on the agenda for August 10th Board Meeting. Kris Kristensen will attend to brief the Board on what we learned during the last recruitment, recommended changes to the job description, and salary recommendations and to address Board questions.

ACWA has approved a 1 3/4 hour time slot for the Water Treatment Plant Project.

VAMP, we will have to refund approximately \$70,000 of the \$427,000 we received because we released less than our share. He said he is asking for an explanation of why the "true up" is so large this year.

Shields told the Board that he feels that if PG&E asks Board members to meet with them, PG&E should have an officer present at the meeting. He said Modesto I.D.'s Board will not meet with PG&E. He said relative to the meeting they are asking for on August 5th he asked for a copy of what they would be proposing at the meeting and was told it is short and we will see it at the meeting. He feels this is just PG&E trying to put a wedge between staff and the Board. Staff recommends PG&E provide information to District staff, so it can be analyzed and the Board briefed before meeting to discuss details. After a brief discussion, the Board concurred with Shield's recommendations.

President Schulz adjourned the meeting for lunch.

Upon returning from lunch President Schulz called the meeting to order and asked the Board to go to closed session relative to litigation matters, personnel matters, and labor update. General Counsel Emrick announced the Board will be discussing in closed session the following:

- a. Conference with legal counsel, existing litigation, Gov. Code, S. 54596.9. Two cases:
  1. Sierra Club et al v. SSJID.
  2. ChevronTexaco v. SSJID
- b. Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. Two cases.
- c. Public Employment, Gov. Code, S. 54957. Performance review: General Manager and General Counsel.

At the conclusion of closed session it was announced by General Counsel that the following took place.

Motion by Director Kamper, seconded by Director DeGroot, and carried on a 3 to 1 vote, with Director Roos voting No, to authorize Board President, Robert Schulz, and Secretary, Stevan Stroud, to sign the settlement agreement in the case of Sierra Club, et.al., v. South San Joaquin Irrigation District.

Emrick also announced that the Board approved the District's intervention in California Public Utilities Commission Proceeding no. R04-04-003, on Motion of DeGroot, seconded by Schulz, and unanimously carried.

President Schulz asked the Board to review compensation and take possible action on General Manager and General Counsel. Motion by Kamper, seconded by DeGroot, and unanimously carried, to set the wages of the General Manager at \$123,000 per year, and the General Counsel at \$120,000 per year.

There being no further business to come before the Board it was moved by DeGroot, seconded by Roos and unanimously carried, to adjourn to August 10, 2004 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary