

Manteca, California  
July 27, 2010

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 KUIL KAMPER SCHULZ

Also present were General Manager Shields, District Counsel Emrick and Engineering Department Manager Bologna.

President Kamper called the meeting to order and asked for public comment. There being no public comment President Kamper asked the Board to consider the Consent Calendar Items.

#### CONSENT CALENDAR

- A. Warrants of \$929,161.71
- B. Regular Board Meeting Minutes of July 13, 2010.
- C. Approve Irrigation Service Abandonment #1593, by and between SSJID and Alan B. & Marjorie L. Thomas for APN 226-140-02, 1.06 acres.
- D. Adopt Resolution 10-08-P, Authorizing Acceptance of Deed to Purchase Land Identified as APN 208-070-24&35.

#### RESOLUTION NO 10-08-P OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT AUTHORIZING GENERAL MANAGER TO EXECUTE CERTIFICATE OF ACCEPTANCE TO PURCHASE REAL PROPERTY

WHEREAS, the District's Board of Directors has determined that it is in the best interests of the District to purchase certain real property consisting of approximately 31 acres described as APN 208-070-24 & 35 ("Subject Property"), and

WHEREAS, the Subject Property is currently farmed under a lease that terminates on September 30, 2010, and

WHEREAS, the District has entered into an agreement dated July 15, 2010, with the current owner to purchase the Subject Property, and

WHEREAS, Chicago Title is the escrow holder and title company for the transaction ("Title Company"), and

WHEREAS, Government Code section 27281 requires that a deed conveying the Subject Property to the District cannot be recorded without the District's consent "as evidenced by its certificate or resolution of acceptance attached to or printed on the deed" and

WHEREAS, the Board finds that it is in the best interests to complete the purchase of the Subject Property,

WHEREAS, the District's staff will explore the feasibility of constructing new District facilities on the Subject Property, meet with surrounding property owners, evaluate environmental impacts of the new facilities and negotiate a new farming lease on the Subject property while exploring the feasibility of constructing the new facilities,

NOW THEREFORE, BE IT RESOLVED that the District's General Manager is hereby authorized to execute a certificate accepting a deed to the Subject Property and to deliver the certificate to the Title Company in order to complete the purchase of the Subject Property.

Director Holbrook asked for clarification on the APN listed under Item D. Emrick noted that the parcel number was listed correctly under Item D but incorrectly listed in Closed Session, Item 6c.

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

PASSED AND ADOPTED this 27<sup>th</sup> day of July 2010 by the following roll call vote:

Ayes:	Holbrook	Kuil	Kamper	Schulz
Noes:	None			
Absent:	Roos			

Item #1: Presentation by Michael O'Leary & Cheryl Burke, updating the Board on the status of the True Point System and how it is working out in the field. Michael demonstrated to the Board how the Division Managers create and fill water orders. He showed how water records were kept in the past and how they are now being kept, electronically with True Canal. He also showed the Board how properties that are delinquent in paying their water charges, are put "out of service" thus making it impossible to create or fill a water order on True Canal. Director Kuil asked if the Relief personnel have access to all the information they need to answer farmers inquiries, such as when they are scheduled to get water next. Michael explained that once a water order is made, the flag by the property turns yellow, indicating an order is pending. Michael introduced Cheryl, stating that she would be demonstrating the administrative portion of True Point. At this point, Director Roos arrived. Cheryl showed the Board how new customers and/or properties are added into the system. She told the Board that both she and Michael are very impressed with how well the Water Department has adapted to using the program. She also told the Board that reports are being created to help make the most of the information available through True Point. Cheryl told the Board that Julie Vrieling from the Engineering Department will be able to use this data in the moisture

monitoring program. Julie handed out a draft of the new report. She explained that with the information on the report, we will be able to determine more accurately the amount of water being delivered to individual properties. Joe Catanzarite addressed the Board concerning Director Kuil's concern that Relief personnel have the information needed to notify farmers in a timely manner. Catanzarite told the Board that Division Managers and their Relief notify farmers 24 hours in advance of water deliveries. This notification schedule has not changed due to use of True Canal. The Board expressed their appreciation for the update.

Item #2: Authorize WTP staff to issue a purchase order number to GE/Zenon for the purchase of the second train of V-3 Modules. Bill Hubkey, Plant Manager told the Board that through a negotiated replacement contract with GE/Zenon, for the next eight years, we will be replacing one train of modules a year. The contract has a fixed price except for a modest CPI and shipping cost increase. Hubkey told the Board he is asking to be allowed to issue a purchase order number to GE/Zenon for the amount of \$404,216.20. GE will give us the final cost when they receive the purchase order number and after they determine diesel costs for delivery. Holbrook made a motion to authorize a purchase order as requested, with the final cost for shipping to be determined by staff. Motion was seconded by Kuil and unanimously approved.

Director Kamper asked for Hubkeys' Managers Report at this time. Hubkey gave the following report:

- The Plant has had power failures the last two Monday nights. In both instances, when contacted, PG&E said they did not know the power was out.
- Sludge in bed #3 is dry and ready to be hauled to the landfill.
- The waste oil containment tank has been installed.
- CBI continues to work on sandblasting the reservoirs to prepare for repainting.
- Membrane tank #1 has been inspected and is ready for repairs.
- A vehicle drove through the fencing at the M-2 pump station and damaged the air release valve. The accident happened without witnesses and the driver left the scene without contacting authorities. Damages are estimated at \$4,500.

Item #3: Authorize hiring three new employees for the Water/Maintenance Department. Don Thornburg, Joe Catanzarite and Ron Strmiska Jr. addressed the Board. Thornburg explained that due to a number of health-related long term absences and several anticipated retirements, the Water/Maintenance Departments are asking for authority to hire three employees at this time. Ron Strmiska told the Board that besides the long term absences his department has been running very short this summer due to regular vacation days, sick days and filling in for Water Department absences. These shortages have made maintenance and repairs very hard to keep up with. Thornburg added that hiring now would allow time to train and evaluate the probationary employees to ensure preservation of a full workforce. A motion by Schulz, was seconded by Roos, to authorize hiring three new employees for the Water/Maintenance Departments. Motion passed unanimously.

Item #4: Shields introduced Dan Geis of the Dolphin Group. Mr. Geis told the Board that he would begin with a positive subject, Prop 16. He told the Board that the defeat of Prop 16 rejuvenated everyone's hopes in our political system. He said that the initiative was defeated even though its backers out spent those opposing it, 500 to 1. The statistics show that the proposition lost in PG&E service areas and won in areas not served by PG&E.

General Counsel, Emrick noted that the Coalition for Common Sense, a group funded by PG&E, is in attendance and recording the meeting.

Dan Geis then addressed the Water Bond Issue. He told the Board that because of a tough economy, it is the general feeling in Sacramento that voters will be reluctant to approve the water bond. He said that those who support the bond want to see it postponed until 2012 with the hopes that it would have a better chance of passing then. Those against the bond want to see it on the ballot in November. He said that the issue is going to be a budget negotiating tool by all factions. In regards to the budget, Geis told the Board that because of Prop 1A, we have short term protection from the State borrowing more funds.

Holbrook asked about SB565, the fees bill. Dan Geis said this issue keeps getting raised but he doesn't feel it is going anywhere. He said he would look into the issue and get back to Shields on its status.

The Board thanked Dan Geis for updating them on these issues.

The President asked for Directors Reports.

Director Holbrook reported that at the Advisory Water Commission Meeting on July 21 the following four items were discussed:

1. The Spring 2010 Groundwater Report was presented by SJ County Flood Control and Water Conservation District and accepted by the Advisory Commission.
2. A published article, entitled "Who Owns California's Water" is very informative. The article was written by Bob Williams, a Millville Rancher and retired UCLA professor. In the article, Williams noted that last year a farming enterprise, Sandridge Partners sold the annual water rights to 14,000 A.F. of water to Mojave Water District for \$5,250 per acre foot.
3. San Diego Water Authority pays \$1,026 per acre foot of imported fresh water and is working a deal to buy desalinated water for around \$1,600 per acre foot.
4. The Advisory Water Commission passed an action item advising the San Joaquin County Board of Supervisors to sign a coalition letter regarding the BDCP Delta Plan. Asked if SJJID should be included in the signature block of the letter.

Kamper asked Don Battles, Utility Systems Director for his report.

Battles handed out 3 reports.

1). 2009 total energy production at Robert O. Schulz Solar Farm Phases 1 & 2. Phase 1 produced 2,233,731 kwh and Phase 2 produced 718,136 kwh for a total of 2,951,867 kwh for 2009. Battles noted that Phase 2 didn't go into production until May of 2009.

2). Refund history (6-16-09 to 6-16-10) for solar project. The report showed decreases in production in January, February and March. This decrease was due to seasonal weather conditions, such as clouds and fog.

3). Report on Annual Maintenance Program. Conergy has completed the annual maintenance of the solar farm. The report shows that both Phase 1 & 2 will need to have the bushings in the torque tubes replaced. Phase 2 had 10 broken modules which were replaced and 3 modules that shorted out, were replaced in Phase 1. All replacements and repairs are covered under warranty.

Schulz asked how often the panels need cleaning. Battles said that the first washing of the season was just completed. He said they are washed approximately every 6 weeks.

President Kamper took this opportunity to thank Troylene Saylor for providing the Board with a schedule of upcoming events.

Bere Lindley, Finance/Admin Department Manager addressed the Board concerning the June Financial Report which was included in the Board packet. He said that the Finance Committee had met that morning to go over the report. Bere directed the Board to the report and explained that due to a change in accounting methods and reporting style there will be a process of learning how to read and understand the financial reports. On page 13 of the report, Roos asked if an asterisk could be added next to WTP assets. Director Roos said he encouraged others to meet with Bere if they have questions about the financial reports.

Jeff Shields, General Managers' report:

1. Bob Geer Sr. has submitted his notice of intent to retire. His retirement will be effective August 31<sup>st</sup>.
2. Mr. Magnus Johanneson, America Renewables, LLC filed an application with FERC to license and build a 4 MW hydroelectric generation plant at Goodwin Dam. The project proposes to put a 9 foot diameter penstock in the face of the Dam and drop 300 feet to a powerhouse on the south side of the Stanislaus River. We will submit a motion to intervene in this proceeding.
3. Went to Sacramento with Emrick & Steve Knell (OID). Met with Tim O'Laughlin and representative from SEWD to discuss the OCAP with the Regional Director of the Bureau of Reclamation.
4. Spoke at "Movie in the Park", Woodward Park on Friday, July 16.
5. SJRGA Commissioners Meeting July 30<sup>th</sup> @ 10 a.m. to be held at TID.

6. Tri-Dam Advisory Committee (Holbrook & Schulz) will meet at OID Tuesday, August 3<sup>rd</sup>.
7. Prop 16 Workshop in San Francisco on August 5<sup>th</sup> @ 1 p.m.
8. ACWA Region 5 Board Meeting, Dinner & Tour of State and Federal Pumping Facilities, August 8 & 9.
9. Delta Laypersons Guide, by Water Education Foundation is available for review.
10. Also available for review, 2009 Tech Report.
11. Handed out the Tri-Dam Daily Report and the District's Weekly Water Use Report.

Director Roos excused himself from the proceedings at 11:02.

President Kamper called for closed session. General Counsel, Emrick stated the Board will discuss the following items in closed session.

- a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation  
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- 2 cases
- 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
- d. CONFERENCE WITH LEGAL COUNSEL-Existing litigation  
Subdivision (a) of Government Code Section 54956.9
  - PG&E General Rate Case 2011- CPUC A.09-12-020
  - OID & SSJID v. US Department of Commerce US District Court Case No. 1:09-cv-2452.

Upon returning from closed session, it was announced that the Board voted 4-0 on a motion by Director Holbrook and seconded by Schulz, with Roos absent, to deny the claim of Daryl and Marilyn Marlin.

There being no further business to come before the Board it was moved by Director Holbrook, seconded by Director Kuil and unanimously carried to adjourn to August 10, 2010 at 9:00 a.m.

ATTEST:

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Cheryl Burke, Executive Secretary