

Manteca, California
August 13, 2002

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: DEGROOT SCHULZ KAMPER ROOS HAWORTH

Also present were Secretary/Manager Stroud, District Counsel Emrick, and Engineering Department Supervisor Bologna.

President Kamper called the meeting to order and asked for Public Comment.

Kathy Smith, representing five landowners on Wilma Avenue in Ripon, gave the Board President two signed "Irrigation Well Use" agreements for the \$250.00 payment the District agreed to pay them for using private pumps in lieu of District water during the 2002 irrigation season. Ms. Smith said the landowners met with Matt Machado, Ripon City Engineer and most of them want to hook up to city water and keep their private wells for landscape irrigation. Stroud said Ripon City officials expressed interest in a joint project to install a non-potable system and is asking us to offset part of the cost of putting in a 12" line in our pipe. The estimated cost to the District to remove the vents and fill the line with sand would be approximately \$100,000 to \$115,000. If the District's project goal of eliminating the District's future liability can be achieved as part of a joint project, without increasing the District's cost, it would be a win-win situation. Stroud said the question of whether sufficient City funds are available to make up the difference between the City's proposed project and District funds proposed for the Vera line, was to go to the City Council for a decision, however he has not heard back from the City.

President Kamper asked the Board to consider approving the Consent Calendar Items as presented.

CONSENT CALENDAR

- A. SSJID warrant's of \$957,710.04 and payrolls of \$151,415.95.
- B. Regular Adjourned Board Meeting Minutes of July 23, 2002.
- C. Acceptance of improvements related to the replacement of a portion of Lateral "Bd" pertaining to the Farinelli Ranch Development and authorize the recording Notice of Completions for same.

Director Roos noted that on the July 23rd minutes on discussion to reroute the V line, it reads from Highway 99 to Jack Tone Road, it should read from Murphy Road to Jack Tone Road. Motion by Roos, seconded by Schulz, to approve the Consent Calendar Items with the correction the minutes of July 23, 2002 as noted.

PASSED AND ADOPTED this 13th day of August 2002 by the following roll call vote:

Ayes:	DeGroot	Schulz	Kamper	Roos	Haworth
Noes:	None				

Consider employee health insurance options. Laura Simons, the District's insurance broker, told the Board that she had a quote from Kaiser Insurance. It is about 20% over our current rates compared to a 47% increase from PacifiCare. Kaiser requires 10 employees enroll in their program. PacifiCare requires at least 50% of the eligible employees. If enrollment changes more than 20% PacifiCare reserves the right to re-quote the group's renewal rates after renewal.

Due to the size of our group, it would only take 13 employees switching from Pacific Care to Kaiser to trigger PacifiCare's premium review. She said the change, probably an increase in premium, would be based on the demographics of those remaining in Pacific Care. She said the increase would be based on the demographics of those leaving PacifiCare. In other words if all those leaving are young and healthy PacifiCare would increase the rates. She said if we decide to change, we can do this with notice any time during the policy period, (September 1, 2002 through September 1, 2003. After discussion the following action was taken: **Motion by Schulz, seconded by DeGroot, to authorize**

execution of agreement with PacifiCare of California. Additionally, staff is to look at other health insurance options, such as PERS and ACWA. Motion carried, Ayes 3, Noes 2, with Directors Roos and Haworth voting No.

Consider approving purchase of Auto-Cad Computer for the Engineering Department. Bologna said we currently have two Auto-Cad Computers. The oldest of the two needs to be replaced because it crashed and can't be restored to service. Cost of replacement is estimated at approximately \$5,000. Staff will get several proposals and pursue the lowest bid, not to exceed \$5,000. **Motion by Roos, seconded by Kamper, and unanimously carried, to approve purchase of a new Auto-Cad computer at a price not to exceed \$5,000.**

Approve proposal by Public Finance Resources to conduct the Arbitration of Funds Study for the 1993 Refunding Revenue Certificates of Participation (bonds). Stein said we are required by law to do this. The four proposals we received range from \$3,000 to \$5,500. He recommends accepting the \$3,000 proposal from Public Finance Resources. **Motion by Schulz, seconded by Haworth, to authorize execution of an agreement with Public Finance Resources to perform the Arbitration Study at a cost not to exceed \$3,000. Motion carried, Ayes 4, Noes 1, with Director DeGroot voting No.**

Review and approve pump use policy. Stroud said based on discussions at the last Board Meeting the following policy was adopted relative to the following question.

Question: Should District pumps be used to make up short heads or to supply water out of rotation?

Answer: District pumps may be used for this purpose, provided:

1. The pumps are not necessary to complete regular rotations, and

2. The pumps are not used during peak energy pricing hours, and
3. Use of the pumps does not result in waste of water.

Motion by Schulz, seconded by Kamper, and unanimously carried to approve the policy as stated above. Additionally the Board asked staff to review the PG&E bills for time of use and to review the PG&E rate structure for the pumps.

SIDE project and SCADA review. Stroud asked the Board authorize an agreement with Boyle Engineering to perform a study of computers and software for the SIDE Project and SCADA at a cost of \$26,085. He said we need the study for a roadmap so that the Board and staff are confident we are going in the direction we need to go. Director Schulz left the meeting at 11:15 a.m. After discussion, the following action was taken: **Motion by Haworth, seconded by DeGroot, and unanimously carried to authorize the agreement with Boyle at a cost not to exceed \$26,085.**

Director Schulz returned at 11:30 a.m.

Discussion relative to Board priorities. Stroud asked the Directors look at the sheet with projects and to rate them 1 to 5, with 1 being highest priority and 5 being the lowest. He handed out a separate sheet showing estimated project costs for proposed District projects, which range from \$750,000 to \$50,000,000. The total cost was \$141,000,000. He said annual debt service on this amount would be approximately \$14,000,000. Based on acreage, the cost ranged from \$33.00 per acre to \$4,000 per acre. He asked that the Board add any projects that are not included and turn in the sheet to him at the end of the day. No action was taken.

Consider proposal by Dolphin Group for legislative support services. Emrick said if we are going to consider entering into the electric business we should protect this option with appropriate monitoring of the activities and direction of the legislature. The proposal has two parts, joining a group called AECA will cost \$20,000 per year, and the Dolphin Group will cost \$3,000 per month. He recommends we join AECA and hire the Dolphin Group. **Motion by Schulz, seconded by Roos, to join AECA at a cost of \$20,000 per year and to authorize execution of an agreement with the Dolphin Group at a cost of \$3,000 per month. Motion carried, Ayes 4, Noes 1, with Director Kamper voting No.**

President Kamper called a recess for lunch.

Upon returning from Lunch President Kamper called the meeting to order and ask for Manager's reports.

Stroud gave out the weekly water use reports.

Stroud said he received a letter from Mrs Reinert stating she is being flooded by water belonging to the District. He said we checked the problem and found that a private line is causing the flooding. Repairs were completed with grout on nearby District facilities when the inspection turned up half a dozen rock pockets from the original construction of our line.

Mr. Nash asked that SCADA poles in our easement be removed from near his driveway. Stroud

said there is nowhere else to put them and that he told Mr. Nash we will not move the poles.

Stroud said the U line on east Milgeo has leaks for the third time this year. This is a cast-in-place line that the developer was allowed not to replace; it runs in the front yards along Milgeo. Consequently, it would be very traumatic, disruptive - and very expensive - to the residents to replace. The leaks have been repaired with a new product that shows promise; so he is not sure how long the repairs will last.

Kevin Smith, who was involved in an on duty accident on June 28, 2002, is out of the hospital.

Ole Potter, who had surgery returned to work two weeks after surgery. He said we required Mr. Potter, who had a release from his doctor, to see ours because we were concerned about putting him back to work so soon after surgery. Our doctor concurred with his and he returned to work.

Relative to the Northwest portion of the SIDE project the reservoir is finished and the contractor is finishing up the piping and beginning the electrical work.

The spill at Woodward Reservoir by one of the contractors on the Water Treatment Project has cleaned it up by Hazmat and both the Water Quality Control Board and the Health Department are well satisfied.

The City of Lathrop and the City of Stockton are talking relative to the Water Treatment Project. As to the cost of the project, it is estimated that it will cost an additional 24 million dollars over the original estimate. This is primarily due to additional cost for pipe \$15,000,000, \$1,000,000 for a bridge over the San Joaquin River, some City-specific improvements, and a 3% increase in length of the pipe.

Stroud reminded the Board that the Banta Carbona Fish Screen will be dedicated on August 22, 2002.

Stroud said we met yesterday with Chevron Energy Services. He gave a brief description of their progress report.

Director's reports:

Roos said on North Ripon Road the pipe the City is having laid is about to go under our canal. Stroud said he will look into options available to the District to delay work until after irrigation season.

Haworth said he received a copy of OID's salary survey.

President Kamper called for closed session relative to litigation matters, personnel matters, and labor update as follows: General Counsel Emrick said the Board will discuss items a) through d) in closed session.

- a) Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9. Three cases. Sierra Club vs. SSJID, Delta Keeper vs OID, and Van Vliet vs. SSJID.

- b) Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. One case.
- c) Conference with labor negotiator. Gov. Code, S. 54957.6 Agency designated representative to be assigned. Employee organization, General Unit.
- d) Conference with real property negotiator. Property: San Joaquin County Assessor's Numbers: 213-280-06, 213-280-03, 213-280-10, 206-110-02, 206-110-04, 208-050-05, and 208-060-30. Negotiating parties: SSJID and its agents, Grant Kreinberg, Steve Long, and Steve Emrick, and Current property owners. Under negotiation: Price and terms of payment.

Upon returning from closed session General Counsel Emrick the following action was taken on item c): motion unanimously carried to initiate litigation. When the action is commenced, the defendants, and other particulars shall be disclosed to any person upon inquiry.

There being no further action to come before the Board it was moved by Schulz, seconded by Roos, and unanimously carried to adjourn to August 27, 2002 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary