

Manteca, California
August 24, 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 SCHULZ ROOS KUIL

ABSENT: KAMPER

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

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 \$1,239,270.76.
- B. Regular board meeting minutes of August 10, 2004.
- C. Improvement for the District work order # 1280 and authorize staff to record of Notice of Completion for Northern Digital.

Motion by Kuil, seconded by DeGroot, to approve the consent calendar items as presented. However, to hold check number 503102 to the San Joaquin River Group Authority of \$79,251.90 until further board action.

PASSED AND ADOPTED this 24th day of August 2004 by the following roll call vote:

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

Director Kamper arrived at 9:15 a.m.

Update on Principles & Goals of Extending Tri-Dam Benefits and possible action. Jeff Shield, Utility Systems Director, addressed the Board. He outlined the District's past efforts in consideration of its retail power options. The efforts began in 1988 with the Tri-dam Study by RMI, then in 1998 with the Henwood Energy Systems Study, continued with the 2003 Chevron Study and most recently the Navigant Study in March 2004. He told the Board that the District has the following options:

- Credits on PG&E bills
- Cash rebates to all PG&E customers
- Greenfield and duplication of facilities
- Community Choice Aggregation
- Eminent Domain
- Non Wires/Vertical Utility
- New Generation Investments

Director Kamper left the meeting at 10:30 a.m.
Shields went over the pros and cons of all of the above.

In reviewing all the previous studies and using the guidelines the Board set before him, Mr. Shields stated he was ready to make the following recommendations:

- 1) Authorize due diligence on Eminent Domain, budget \$500,000.
- 2) Authorize Non Wires/Vertical Utility, budget \$25,000.
- 3) Authorize staff to continue working with PG&E to investigate the PG&E option.

John Chinn of PG&E asked for a copy of the power point presentation today. Emrick said he would prefer that Mr. Chinn have his legal department send the request.

The consensus of the Board was to wait until the next meeting to make a decision on the recommendations. No action was taken.

Consider authorizing participation in the replacement of a portion of Lateral "Kaa" at McHenry Avenue in conjunction with the City of Escalon's road reconstruction project. Bologna said the City is asking us to participate in the cost. Normally we remove and replace the pipe, and the cities or county pay for the pipe and repave the road. Bologna estimates the cost will not exceed \$3,000, however, due to a portion of that cost being for use of a flagman during construction, costs are not fully known at this time. Motion by DeGroot, seconded by Kuil, and unanimously carried, to authorize participation with the City of Escalon in the replacement of the McHenry Avenue road crossing, with cost not to exceed \$3,000.

Consider approval of plans relative to the Fulton Avenue Road Improvement Project located adjacent to the Chesapeake Development Project in Ripon. This Project involves the replacement of a portion of Lateral "Va". Bologna said the City of Ripon is requiring Chesapeake Development to replace approximately 320 feet of pipeline with RGRC. Roos asked about the valve on Weststeyn's property. Bologna said the valve will be replaced by the Developer at no cost to the property owner. Our cost is approximately \$7,680.00 based on 320 feet at \$24.00 per foot. Motion by Roos, seconded by Kuil, and unanimously carried on a 4 to 0 vote, to authorize approval and signature of documents subject to compliance with those conditions and requirements referenced in Item 12 of the Developer's Agreement.

Consider authorizing the replacement of the heavy equipment trailer (lowboy trailer). Stroud said the trailer we are looking at will haul a larger excavator than our current trailer. He said we received two bids with Cozad Trailer of Stockton being the lowest at \$64,852.24 less trade-in value for our 1971 Cozad of \$13,000, for a net of \$51,852.24 including tax. Motion by Kuil, seconded by DeGroot, and unanimously carried on a 4 to 0 vote, to approve the purchase of a new lowboy from Cozad for a net price of \$51,852.24.

Relative to the review and acceptance of the 2004 VAMP True-up information and approval of a \$77,914.16 repayment. Stroud said the True-up will be discussed at the River Group Manager's Meeting on September 1, 2004, and no action is necessary until after that meeting has taken place. No action was taken.

Update and possible action on potential sale of water. Stroud said he put this on the agenda last week to look at possibly selling some water to Central. However, after the gate break at the Woodward Reservoir, and looking at the total estimated use, which exceeds our 300,000 acre foot allocation, he feels it is not practical to offer water to Central. He said we will have to use approximately 1,000 acre feet of water out of Woodward based on the estimate of 300,971 acre feet, plus approximately 4,000 acre feet to test the pipeline for the water treatment plant, and losses of approximately 3,500 acre feet due to not having the sluice gate in operation. Without the sluice gate we have to use the tower gates to release water from Woodward, which is not an exact science. Therefore, in order to keep the landowners from losing their water we will run a bit extra, and will have to drain the excess, which he estimates to be around 3,500 acre feet.

Director Kamper returned at 11:30 a.m.

On Sunday, August 22nd, the sluice gate at the Woodward Power Plant failed. The flow at Drop One was read at 1,090 cfs, considerably more than the 800 cfs rated capacity of the Main Canal. District staff responded quickly and are to be commended on efficiently containing the wave that catapulted down the Main Canal. We also received rapid response and excellent cooperation from TID and Stanislaus County Sheriffs' personnel. No ag lands were flooded but the power plant got about 4 feet of water. TID staff estimates that it will take at least 30 days to repair the damage to the power plant and be back on line. At this time we have no idea of the total cost due to the gate failing. No action was taken.

Managers' reports:

Stroud reported the following:

Relative to employee health insurance options, the General Unit overwhelmingly voted against the proposed higher deductible and co-pay option. Likewise, the Management Unit was not interested because of the 10% of premium out of pocket cost to them reached in negotiations. Per Board direction on August 10, our current Blue Shield Plan will be renewed effective September 1.

Noted that the delinquent balance on June 30th was \$26,000, but by last month the certificates of sales process reduced the total down to \$15,000.

Tri-Dam meeting next month is September 17th at SSJID.

ACWA Region 4 is having a meeting at Carmichael Water District, and with a tour of their water treatment plant following.

Meeting requested by PG&E, scheduled for September 28th.

A draft Capital Program for 2005 was handed out. He said the total is 4.8 million dollars. 3 million is new the balance is from carryover projects from 2003 and 2004. The projected budget for pipe share costs, is budgeted at \$759,000, about 16% of the draft capital budget for 2005.

Reported that Ombudsman Larry McBride's last day will be August 30, 2004. Phone calls will be re-directed to Panagraph.

Reported Stanislaus County will be posting signs advising campers that they cannot camp within 30 feet of the 210 foot elevation. Flyers will be distributed to educate campers over the next year when this will be required by the Health Department.

Shields told the Board he will bring a refined budget and recommendation to the next meeting.

Directors' reports:

Kuil said the District employees involved with responding to the gate breaking and the flooding did a great job and should be complimented on it.

Schulz asked about the staff meeting Director Kuil had proposed. Kuil said we have a meeting scheduled for Thursday, August 26th.

President Schulz called a recess for lunch.

President Schulz asked the Board to go to closed session. General Counsel Emrick said we have one item to discuss in closed session.

Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9.

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 Kamper, seconded by Roos, and unanimously carried to adjourn to September 14, 2004 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary