

Manteca, California
August 26, 2008

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 KAMPER KUIL ROOS SCHULZ

Also present were Secretary/Manager Shields, District Counsel Emrick, Finance Supervisor Giuntoli, Utility Systems Director Battles, Water Treatment Plant Manager Hubkey, Communications Coordinator Saylor and, Engineering Department Manager Bologna.

President Kuil 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 \$441,260.42.
- B. Regular Board Meeting Minutes of August 12, 2008.

Giuntoli explained the new check register reports as follows:

- By check number.
- By fund number. There are four funds, irrigation, domestic water, retail electric, and solar. Each fund has checks which are applied to that fund listed numerically. You will notice some vendors are listed in more than one fund.

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

PASSED AND ADOPTED this 26th day of August 2008 by the following roll call vote.

Ayes:	Holbrook	Kamper	Kuil	Roos	Schulz
Noes:	None				

Presentation by Stockton East Water District regarding annexation of land north of French Camp Road in the District's Sphere of Influence. Shields introduced SEWD's General Manager, Kevin Kaufman, and Board President Mel Panizza. They told the Board they had already annexed 127,000 acres and that they would appreciate our considering giving them our blessing. SEWD said if any landowner in the area prefers annexing to SSJID at any time in the future they would have no problem supporting that.

President Kuil said he has land in the area being discussed and left the meeting.

Director Kamper asked what do those being annexed gain. Kaufman said they will participate in the solution of an over drafted aquifer.

Director Holbrook said SEWD's figures show a drop of 1.7 feet per year over the last 50 years for groundwater elevation. He said his home is close to the area referred to and his elevation in the last 12 years is up 2 feet. Kaufman said he could not respond to that.

Director Kamper asked if annexed property owners will have to pay fees. Kaufman said they will. SEWD President Panizza said legislation gives us the right to annex and charge all lands.

Director Holbrook said he has a hard time with requiring them to pay fees and receive no service. He said he would like to talk with residents before making a decision.

John Van Klompenburg and Joseph Due who are property owners in the area addressed the Board. In response to SEWD's claims that ground water elevation in the area has dropped, according to Van Klompenburg and Due the water table has not dropped. They said they currently pump OID & SSJID drain water from Lone Tree Creek. They see no advantage to them to be annexed into SEWD. SEWD would charge them a fee and they (property owners) would get nothing in return. Kaufman said that they would receive some credit on the fees.

Director Roos asked what the motive for SEWD to do this annexation is. Kaufman said SEWD believes all land owners should participate to solve the ground water problems.

General Counsel Emrick suggested that Vice President Kamper appoint a couple of Directors, along with our staff, to meet SEWD and others. Kamper appointed Directors Roos and Holbrook. No action was taken.

Director Kuil returned to the meeting.

Consider amending contract with MCR Engineering to provide construction staking for the capital improvement projects, and on-call services for other miscellaneous engineering services as needed. Also, consider changes in scope of work for some of the proposed capital improvement projects. Bologna said we have had meetings with local farmers, Division Managers and Water and Construction Supervisors. Several adjustments were suggested in these meetings which will require a change in the scope of work. We have eliminated areas originally planned and added different areas as a result of the meetings. Bologna said the construction staking will run about \$50,000 plus \$5,000 for property monument work. On-call miscellaneous work is estimated at \$30,000 for a total of \$85,000. Motion by Director Kamper, seconded by Director Roos, and unanimously approved, to grant staff authority to modify the agreement with MCR and to make change orders in amount not to exceed \$85,000.

Consider proposal for geotechnical services related to capital improvement projects to be done this winter during the maintenance season. Bologna said as part of quality control the task will involve digging test pits to determine if it will be necessary to include imported material or use native material. Additionally, they will do compaction and concrete material testing. The costs are \$7,500 for test pits and soil analysis and \$20,000 for compaction and concrete testing. Director Holbrook asked how many reports per site. Bologna said 1 per site. Director Schulz said too many tests just raise the cost of projects. Bologna said failures because we did not make the tests are far more expensive. Motion by Director Holbrook, seconded by Director Roos, and unanimously carried to authorize securing the services for geotechnical work at a cost not to exceed \$27,500.

Consider changes in the proposed cost allocation for the replacement of the FCOC road crossing at Louise Avenue. Bologna said the City of Manteca and SSJID will share the cost approximately 50/50. Developers paid for the design engineering which was done by MCR. We would like to hire MCR to go forward with additional engineering services related to construction. Director Schulz asked do we need this or do the developers? Bologna said the developer, the City and the District need this project. Once a new developer secures ownership of the property we should be able to receive additional credits. Estimated cost is \$664,345.75. Approximately \$33,280 of the cost is for relocation of an existing sewer force main belonging to the City of Lathrop, they will be responsible for that cost. Our share will be approximately \$315,553. Bologna recommends authorizing staff to proceed with the project subject to the City's commitment to pay their share. Additionally authorize staff to hire MCR Engineering to provide engineering services for the project. Motion by Director Holbrook, seconded by Director Schulz, and unanimously carried, to approve as recommended.

Consider proposal of Organic Recovery Systems for District participation in anaerobic digester project. Shields introduced Ted Viss of Organic Recovery Solutions. Mr. Viss said he has talked to Brasil & Son Dairy and they are willing to participate. If SSJID participates the District's cost would be \$45,000 up front, which would be non-refundable. However, if the project moves forward it would be part of the cost. When asked where the closest digester is? Ted said in South Dakota at a Hog Farm. He said it

takes about 1 acre of land. Shields said we would need LAFCo's approval as this would be retail project if we have equity in the project and want to recover our investment by selling the energy to the dairy. Consensus of the Board was for staff to continue working with Organic Recovery Solutions. No action was taken.

Consider proposal from David's Engineering to prepare a water balance and information system plan and for BPL Global to provide a Monitoring, Communications and Management plan to support water efficiency program. Shields said we met with Grant Davis of David's Engineering and Alan Vallow and Mark Rupnik of BPL Global to come up with a way to more efficiently use the District's 28 groundwater wells. Shields said currently we have no accurate method to account for water pumped by our pumps, this will give us accurate records plus salinity levels. After discussion it was moved by Director Kamper, seconded by Director Holbrook, to authorize the General Manager to execute agreements with: David's Engineering to complete the water balance study at a cost not to exceed \$79,839 and BPL Global for \$573,154. Motion Carried, Ayes 4, Noes 1, with Director Roos voting No.

Consider authorizing the General Manager to contract for construction of 2nd phase of the Solar Farm. We will be installing a second meter and the second phase will be 378 KW. The cost, due to steel prices increasing by approximately 75%, has gone up from \$2,964,960 to \$3,107,214, approximately 5%. The cost of the necessary bonds are extra. Director Schulz asked about other bidders. Shields said we got several bids on the first phase and SunTechnics was the lowest priced by quite a bit, and with the timing we do not really have time to get more bids. Emrick said that SunTechnics informed him today that two recent bids for Silicon Projects were about \$9.00 per watt, which exceeds our price on Phase 1, they could provide documentation and offered a very competitive rate. Director Holbrook said he likes the old price better, however he can understand the increase with steel prices the way they are. Also, he is very pleased with the success of the 1st phase. He asked about warranty. Emrick said it is essentially the same. Director Kamper asked if this is time sensitive. Shields said yes, we need to have it completed by February 11, 2009. Glenn Reddick is working with PG&E and they are cooperating and have given him approval for this phase. After discussion it was moved by Director Holbrook, seconded by Director Kamper, and unanimously carried to approve the agreement with SunTechnics at \$3,107,214 and authorize execution of same.

Status of 2008 water year and irrigation season. Shields said we are set to receive approximately 293,683 acre feet per the USBR. This, based on estimates, should leave us with a surplus of around 30,000 acre feet. If possible we would like to move the water, either to OID or to another user, or even possibly look at storing it for next year. After discussion it was moved by Director Holbrook, seconded by Director Roos, and unanimously carried to give the General Manager authority, with approval of the Board President, to make a decision as to surplus water. Director Schulz asked the General Manager to give OID the first right to the water if they paid us back from the first water they take at the start of next season.

President Kuil asked for the Manager Report:

Shields reported:

Introduced Don Thornburg, our new Human Relations Analyst, whose first responsibility will be to train the supervisors how to do "Performance Evaluations" and manage the completion of evaluations for every employee.

Assembly Bill 2065 will require us to do a study on mussels at our reservoirs, Woodward for SSJID and Beardsley and Tulloch at Tri-Dam.

Met with the Operating Committee (Water Treatment Plant) and gave the Cities a letter for their concurrence to sell the land we built the Robert O. Schulz Solar Farm on.

Hubkey reported:

Black & Veatch started work on the POP Project. The first two are to repair the drainage system, and the lime grit removal system installed.

Staff met with TESCO on the instrumentation project.

All pump stations have had their annual fire inspection and passed.

Staff will start exercising the valves for the change from the upper to the lower intake.

A truck backed into the reservoir. No fluid spill was recorded.

Staff is in the process of tying the plant emergency backup generator to the Zenon building lights to avoid injuries due to the plant being pitch black when the power goes off.

President Kuil asked for Directors reports:

Director Roos told the group about his trip to China for the Olympics and that he saw the Three Gorges Project. This project is a man made reservoir, which holds 75,000,000 acre feet of water and produces enough power to light all of California during the night and is approximately 400 miles long. He said over 130 million people had to be relocated because of the project.

Director Holbrook reported that at the San Joaquin County Flood Control District the members are very unhappy because they have no part on the Governors Delta Operations Team.

There being no further business to come before the Board it was moved by Director Schulz, seconded by Director Roos, and unanimously carried to adjourn to September 9, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary