

representing the Ostini Estate addressed the Board. He said in a title search it was found that the District owns property running alongside Murphy Road and in essence has the Ostini property landlocked. General Counsel Emrick said the law requires us to offer the land to all public agencies before we are allowed to sell it to the Ostini Estate. He said he doesn't feel any agency would buy the property, however, it is a possibility. Director Haworth said we should sell it to them the same as we do all other strips of property, 25% of the land value. Emrick said, the law will not allow us to do this, it is too large a piece. He said the only thing we can do to avoid offering the land to other agencies is to sell 5,000 square feet or less. Mr. Thomas said he would need to discuss this with all the participants in the trust before saying yes, however, he felt this is a fair way to do it and would recommend this to the trustees. **Motion by Schulz, seconded by Haworth, and unanimously carried, to authorize staff to sell up to 5,000 square feet of the property owned by the District at a price of \$12,000 per acre.**

Consider approving Lateral "A" replacement plans, specifications and authorize call for bids. Gilton told the Board that 8,100 feet of pipe, plus a 160 foot road crossing will be replaced with 42 inch reinforced concrete pipe. He estimated the cost to be approximately \$1,269,480. He asked the Board to authorize him to call for bids on the project. Haworth asked what the cost would be if we used cast-in-place instead of RGRCP. Gilton estimated it would reduce the original cost by about \$10 per foot, but the life of cast in place is less and maintenance costs would be considerably more. Gilton also said Cast In Place pipe (CIPP) would not be an appropriate solution in this case because the line has to operate under pressure and CIPP would not hold up under pressure. **Motion by Schulz, seconded by Kamper, to authorize call for bids as requested. Motion carried, 4 Ayes, 1 No, with Director Haworth voting No.**

Consider approving amendments to agreement with Environmental Science Associates (ESA). Grant Kreinberg, Project Manager for the Water Treatment Project addressed the Board. He explained the need for a Hazardous Waste Investigation on approximately 28 parcels of land. Also, because we have revised portions of the alignment we need to update the Hazardous Waste Evaluation to cover the revised alignment. He said there are two phases: Phase 1 is comprised of a literature and records search of possible hazardous materials usage on the site: Phase 2 includes sampling and testing for any hazardous materials that may have been used on the site as identified by the Phase 1 evaluation. Kreinberg said Phase 1 cost is \$20,000. Phase 2 cost is \$65,000 and additionally he is asking for \$25,000 contingency to cover any additional sampling and testing that might be needed. Authorization to spend the contingency fund would require approval of General Manager Stevan Stroud. If the contingency fund is not needed, they will not be authorized or spent. The total cost for this will be born by Lathrop and Tracy. **Motion by Roos, seconded by Schulz, and unanimously carried to authorized amendments to the agreement with ESA, as requested above. Additionally, to authorize the General Manager to execute the agreement.**

Continue Board priorities discussion. Stroud handed out a recap of the Board priorities showing how projects were rated. He asked that those areas that were left blank be filled out and returned. He said based on cost estimates for the projects, allocating \$3,000,000 per year,

completion will be in 47.5 years. If we increase the allocation to \$5,000,000 per year it will take 28.5 years. Consequently, it is necessary for the District to set priorities to get the best value for the funds available. Haworth suggested we look at options that are less costly than the SIDE Project, such as interconnections. Stroud said we also need the Board priorities, so staff can make the best use of available staff time. No action was taken.

General Manager's report:

Relative to the District office and yard complex hooking up to Manteca's water supply, the City's fee for annexation, including the LAFCO application fee, is \$7,450. Additionally, in May Engineering provided a preliminary estimate of \$150,000, we expect to have a more accurate estimate of estimated total cost soon.

The pressure tank for our pump has holes in it and needs to be replaced after 48 years of faithful service. He said we are obtaining bids and will present them to the Board when we have them.

Relative to cell phone costs for Nextel compared to AT&T for the first 7 months, Nextel is 13% less than AT&T for the same period calendar last year.

The "Tbb" line repairs west of Austin Road are complete.

Kemper Insurance, our insurance carrier for liability, property damage, etc. has informed us that they will only write \$11,000,000 total liability instead of \$20,000,000 like they did last year. The cost for this will be about \$9,000 less.

St. Johns Cemetery, located on Carrolton Road and Highway 120, is planning to expand. In order to avoid future problems we are looking at rerouting the irrigation line affected, so we don't wind up with the same problem we have at Burwood Cemetery.

On Friday, August 30th we will be holding a Skelly hearing for Kevin Smith.

In regards to retail power, we have requested from PG&E information on interconnection options, and have initiated talks with MID relative to them working with us.

The Dolphin Group contract start date is September 1, 2002.

Relative to storm drainage on the FCOC we need to address the culvert on Yosemite Avenue, plus 5 plugged culverts. Also, developers and other property owners who want to drain into our facilities are adding pressure to the need to complete the Master Storm Drainage Agreement. Staff proposed the following basic principles to guide our efforts:

1. Agreements will be executed only with public agencies. Specifically, the District will not sign agreements with private parties, so they must have an agreement with either the city, county or state.
2. Discharges will not exceed capacity of the District's system.
3. All discharges must have positive means to control them with provision for "lock out" to safeguard District employees when performing maintenance and repair.
4. Users will meet all regulatory requirements, including NPDES permits and meet all applicable water quality requirements.
5. All users will share in the cost of operation, maintenance, and replacement in proportion to their use.

In regards to the Crossroads Grace Community Church property on Moffat Boulevard and Highway 99, just south of the bypass, if the City of Manteca agrees to the above conditions, we will authorize Crossroads to drain. It was the consensus of the Board to inform the City of Manteca of the five conditions listed above, plus have a revokable license on all approvals prior to a Master Drainage Agreement being signed by the City of Manteca. Additionally, a date for signing the Agreement should be set, such as January 1, 2003, whereby no other drainage will be allowed until an agreement with the City is in place.

Director Haworth left at 12:15 p.m.

Directors' reports:

Roos asked why account 53-310, Outside Repairs, exceeded budget by \$212,380.58. Stein said he would find out and report back at the next Board meeting.

Roos asked about the work being done on North Ripon Road and if it will have any effect on Lateral "V" realignment. Gilton said he will check and report back at the next Board meeting.

There being no further business to come before the Board it was moved by DeGroot, seconded by Schulz, and unanimously carried to adjourn to September 10, 2002 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary