

Manteca, California
August 28, 2007

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 SCHULZ ROOS

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton, and Communications Coordinator Saylor, Water Treatment Plant Manager Hubkey, Finance Supervisor/Administrator Giuntoli, and Utility Systems Director Shields.

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 follows:

- A. SSJID warrants of \$479,093.09.
- B. SSJID Minutes of August 14, 2007.
- C. Approve and authorize filing of Notice of Completion for Alameda Estates.
- D. Approve and authorize filing of Notice of Completion for Paseo West Development.
- E. Approve and authorize filing of Notice of Completion for Tesoro Apartments.
- F. Approve and authorize filing of Notice of Completion for Union Ranch East.
- G. Approve Certificate of Acceptance for Grant of Easement from the City of Lathrop. On Exhibit A, second paragraph, District Counsel Emrick said the wording will be changed to read: "All public rights of way including surface, air space above the surface, and the area below those public streets, roads, highways, sidewalks, bridges, waterways, easements or rights of way now or hereafter held by the City of Lathrop as noted below."

Motion by Director Holbrook, seconded by Director Kamper, to adopt the above items A) through F) as presented, and with the language change above on item G).

PASSED AND ADOPTED this 28th day of August 2007 by the following roll call vote:

Ayes: Holbrook Kamper Kuil Schulz Roos
Noes: None

Presentation by Condor Earth Technologies: The Joint Main Supply Canal Improvement Evaluation. Gilton introduced Andy Kositsky & Scott Lewis of Condor. They reported that the main problems are with the Copper and Ram tunnels and the area between the two. They gave several options and the estimated cost of those options and cost alternatives. They highlighted areas of the line with color coding and opened the floor to questions. After discussion President Kuil indicated that he and other directors would like to take a tour of the facilities, and confer with OID, and bring it back later for a decision. No action was taken.

Review and amend Board committee Assignments: President Kuil made the following assignments:

1. Tri-Dam Project & Power Authority; Directors Kuil & Schulz with Director Holbrook as Alternate.
2. Community Relations – Manteca. Directors Holbrook and Kuil.
3. Community Relations – San Joaquin County Flood Control & Water Conservation District Advisory Water Commission (County Appointment). Director Holbrook as Alternate.
4. Domestic Water Issues; Directors Holbrook and Kuil.

President Kuil said all other committee assignments and offices are to remain the same. No action was taken.

Award contract for purchase of Rubber Gasket Reinforced Concrete Pipe (RGRCP) to California Concrete Pipe for \$389,738.23. Gilton said we are purchasing pipe for the following jobs: Lateral “Re” \$67,030.00; Lateral “W” \$108,446.00; Lateral “B” \$38,130.00; Lateral “R” \$148,100.00; Sales Tax \$28,032.23 for a total cost of \$389,738.23. Motion by Director Schulz, seconded by Director Kamper, and unanimously carried, to award contract for purchase of RGRCP to California Concrete Pipe for \$389,738.23.

Consider approval of Initial Study and Mitigated Negative Declaration and Mitigation Monitoring Plan under California Environmental Quality Act for the Solar Farm Project. Adopt Resolution 07-14-0 and authorize staff to file a Notice of Determination with the Stanislaus County Clerk. Emrick said the only comments we received were from Oakdale Irrigation District. They asked about crossing their pipeline which dissects the property and fencing of their pipeline. We will not put equipment on the OID pipeline and we will fence the area where the array is located to separate the line from the array. Emrick passed out a revised Resolution to the Board. He asked that they adopt the resolution as amended, by so doing the Board will take the actions listed in the Resolution. After discussion the following action was taken. Motion by director Kamper, seconded by Director Holbrook, to adopt Resolution No 07-14-O as follows:

SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 07-14-0
APPROVING INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION
FOR PHOTOVOLTAIC SOLAR GENERATION PROJECT AT
NICK C.DEGROOT WATER TREATMENT FACILITY

WHEREAS, South San Joaquin Irrigation District proposes to construct a photovoltaic solar generation project at its property located at 5855 Dodds Road (“Solar Project”); and

WHEREAS, South San Joaquin Irrigation District caused to be prepared an initial environmental study for the Solar Project which demonstrates that there is no substantial evidence that the Solar Project could have any significant effects on the environment that cannot be effectively mitigated to a level of insignificance and states that South San Joaquin Irrigation District shall adopt a mitigated negative declaration; and

WHEREAS, copies of the initial study, proposed mitigated mitigation measures and proposed negative declaration are attached as exhibits to this Resolution; and

WHEREAS, South San Joaquin Irrigation District provided notice of the opportunity for the public to review the initial study and proposed mitigated negative declaration and the date and time at which South San Joaquin Irrigation District intends to approve the initial study and the mitigated negative declaration, in the manner required by law, by publication in a newspaper of general circulation in the project area, and posting for at least 20 days with the County Clerk for Stanislaus County; and

WHEREAS, the Board has considered whatever public comments have been received; and

WHEREAS, the Board of Directors has considered the proposed Mitigated Negative Declaration.

WHEREAS, on the basis of the whole record before it, the Board of Directors finds that there is no substantial evidence that the Solar Project will have any significant effects on the environment that cannot be effectively mitigated to a level of insignificance; and

WHEREAS, the initial study and negative declaration have been completed in compliance with the California Environmental Quality Act (Public Resources Code ●21000 et seq.; ■CEQA●); and

WHEREAS, the initial study and negative declaration reflects South San Joaquin Irrigation District’s independent judgment; and

WHEREAS, the Board has prepared a program for reporting on or monitoring the measures that mitigate or avoid the potential significant effects of the project, and that program will be adopted as a part of project approval.

WHEREAS, South San Joaquin Irrigation District makes as part of its findings all of the analysis and findings in the initial study and mitigated negative declaration,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the SOUTH SAN JOAQUIN IRRIGATION DISTRICT hereby takes the following actions:

1. Makes the findings set forth above, each of which is found to be true.
2. Approves the initial study and mitigated negative declaration.
3. Incorporates all of the findings in the initial study and negative declaration into the record of its adoption of the negative declaration and its decision to carry out the Solar Project.
4. Finds that the Solar Project will not cause any significant environmental impacts that cannot be mitigated to a level of insignificance.
5. Adopts the Mitigation Monitoring/Reporting Program for the Solar Project and instructs staff to carry out all mitigation measures in the Mitigated Negative Declaration.
6. Directs the General Manager to execute a Notice of Determination as to the actions set forth above in the form presented at this meeting with such changes as are acceptable to the General Manager, to file a Notice of Determination with the County Clerk of Stanislaus County for posting for a thirty day period in accordance with CEQA.
7. Directs that any required filing fee for filing the Notice of Determination, including any fee due the Department of Fish and Game, be paid.
8. Directs that the documents and other materials that constitute the record of the proceedings regarding the negative declaration for the Solar Project adopted by South San Joaquin Irrigation District are available at 11011 E. Highway 120, Manteca, California.
9. Elects to carry out the Solar Project.

PASSED AND ADOPTED this 28th day of August 2007 by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Schulz	Roos
Noes:	None				

Consider approval of mitigation monitoring proposal for Solar Project. Shields said in addition to the Negative Declaration it will be necessary to perform a biological and cultural survey of the specific land that will be developed for the array. The initial EIR on the water treatment plant included on the land that facilities were constructed on. InSite Environmental of Stockton recommended using Moore Biological at the price of \$1,000 for biological assessment and Genesis Society at \$2,500 to conduct the cultural survey. Total Cost \$3,500. Shields recommended approval. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to approve hiring the two firms above at a cost not to exceed \$3,500.

Consider approval of Notice to Proceed for Solar Project. Emrick said the Board previously authorized staff to issue a Notice to Proceed to SunTechnics which we did. There are several issues for the Board to consider when deciding whether to authorize the actual start of construction. They are as follows:

Permits: We submitted an application for the necessary storm discharge permit from the State Water Resources Control Board. A building permit is not required by Stanislaus County; however staff will meet with the County and address any concerns they may have.

Compensation for site usage: The District is in discussion with the Cities. The cities asked for an appraisal to determine value, which we recommend and will do if the Board approves the Notice to Proceed. Manteca, Tracy and Escalon are okay, Lathrop has some questions and conditions. They want us to guarantee they will not pay more than if they were with PG&E. The District will bear the risk of the solar projects non or under performance. Director Kuil said he is opposed to proceeding until we have an agreement with the Cities to purchase the land.

Investment: The District is required to fund approximately \$12.5 million. At this time we plan to sell the project to a private investor. If for any reason the investor doesn't purchase the project, the District would finance it by issuing tax-exempt financing.

Satisfaction of condition in the earlier Notice to Proceed: The Board needs to consider the conditions that it imposed in the first Notice to Proceed before approving this Notice to Proceed.

1. District's determination that the project presented no significant environmental impacts.
2. PG&E would approve dividing of the treatment load between two revenue meters in order to allow the output from the entire 1.6 mw project to apply to the treatment plant electrical demand; and
3. To provide for completion of the District's transaction with MS Greenrock, LLC.

Item 2 is not resolved at this time with PG&E. If it is not we will revert to a 1.0 mw project.

Financing with Greenrock: We have mutual agreement on the terms however not all of the final documents have been completed. This could take 30 days to complete.

Recommendation: Authorize issuance of Notice to Proceed, with the condition that if PG&E should advise the District that the Treatment Plant load may not be divided between the two revenue meters, the parties would agree to reduce the project to 1 mw and agree to negotiate in good faith the terms for the smaller project. Motion by Director Holbrook, seconded by Director Kamper, to approve and authorize the issuance of Notice to Proceed with conditions above. Motion Carried, Ayes 4, Noes 1, with Director Kuil voting No.

Approve proposal for valuation of the site for the Solar Project. Shields recommended retaining Steve Castellanos of Escalon to perform an appraisal of the land in question at a cost of \$2,800. Motion by Director Kamper, seconded by Director Holbrook, to authorize staff to execute the Service Agreement with Mr. Castellanos at a cost not to exceed \$2,800. Motion carried, Ayes 4, Noes 1, with Director Roos voting No.

Approve plans for groundbreaking ceremony for the Solar Project. Shields said the groundbreaking will be on September 11, 2007 after the Board meeting. Cost is estimated at approximately \$1,700. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried, to authorize the Communication Coordinator, Troylene Sayler, to arrange this event at a cost not to exceed \$2,000.

Discussion and possible action concerning setting 2008 water rates. Director Schulz said he would like to waive the charges as we did a few years ago. Emrick said in response to a question about a gift of public funds, that the action is more subject to challenge than a reduction in water rates. Other possibilities were discussed, such as rebates, and staff was asked to come up with some ideas. Staff recommended the Board approve Resolution 07-13-B as presented, and discuss the matter further after staff has explored the various options to accomplish waiving 2008 water charges. Motion by Director Kamper, seconded by Director Schulz, to adopt Resolution No. 107-13-B.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 07-13-B
RESOLUTION TO REAFFIRM CHARGES FOR
SERVICES FURNISHED BY THE DISTRICT**

WHEREAS, Irrigation District law provides authority for the District, in lieu, in whole or in part, of levying assessments, to fix and collect charges for any service furnished by the District and to prescribe reasonable rules with respect to said charges; and

WHEREAS, the District currently charges \$24.00 per acre for water service to each parcel in the District on which District-supplied surface water is used for irrigation, with a minimum charge of \$50, and

WHEREAS, the District currently charges \$12.00 per acre for groundwater recharge to each parcel in the District which is subject to a recorded Irrigation Service Abandonment Agreement, and on which crops are commercially grown, with a minimum charge of \$25, and

WHEREAS, the District declares the following:

- (1) The revenues derived from these said fees do not exceed the funds required to provide subject properties related services.
- (2) The revenues derived from the charges will not be used for any purpose other than that for which the charges are imposed.
- (3) The amount of a charge imposed shall not exceed the proportional cost of the service.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that pursuant to Sections 22280 and 22283 of the Water Code, the District hereby sets water charges for the 2008 water year as follows:

RULE NO. 1-1, Subject to rule number 1-2; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, there shall be an annual "USE OF DISTRICT WATER" charge of **\$24.00** per acre for the "Use of District Water."

RULE NO. 1-2, Subject to rule number 3-1; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the minimum billing (charge) for "USE OF DISTRICT WATER" shall be **\$50.00**.

RULE NO. 2-1, Subject to rule number 2-2; those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are used to grow commercially grown crops but which, (a) choose not to utilize District Water Service, and (b) which are the subject of an approved District Irrigation Service Abandonment Agreement, there shall be an annual "GROUND WATER RECHARGE" charge of **\$12.00** per acre for the benefits derived from "Ground Water Recharge."

RULE NO. 2-2, Subject to rule number 3-1; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the minimum billing (charge) for "GROUND WATER RECHARGE" shall be **\$25.00**.

RULE NO. 3-1, Those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are not used to grow crops or which do not utilize District Water Service may be exempted from District "USE OF DISTRICT WATER" and "GROUND WATER RECHARGE" fees provided the owners of such lands enter into an "Irrigation Service Abandonment Agreement" covering same and provided further, there are no outstanding amounts owed to District on such lands.

PASSED AND ADOPTED this 28th day of August 2007 by the following roll call vote:

Ayes: Holbrook Kamper Kuil Schulz Roos
Noes: None

Discussion and possible action concerning the end of the 2007 Water Season. Stroud said staff recommends October 10th. Directors Roos and Kuil feel that is too soon. Stroud said if we end on the 10th we will not use much over what is in Woodward Reservoir as of September 30th, 210 foot elevation holds 32,764 acre feet. We need to be down to 205 foot elevation by November 1, which is 23,768 acre feet, a difference of 8,996 acre feet. If we end the season on the 10th we would use approximately what is in Woodward, if we go to the 17 we would use an additional 5 to 6 thousand feet. After discussion it was moved by Director Kamper, seconded by Director Holbrook, to set the end of the season on October 10, 2007. Motion Carried, Ayes 3, Noes 2, with Directors Kuil and Roos voting No.

Discussion of Tri-Dam Project internal controls. Schulz said he asked this be put on the agenda because OID is still not happy. After considerable discussion, the item was tabled for further discussion. No action was taken.

President Kuil asked Water Treatment Plant Manager Hubkey for his report:

Hubkey reported the following:

Said we have been advertising now for three months for an Operator III with no luck. Most are happy with the wage, but not with the PERS 2% @ 60. Hubkey was asked about hiring a trainee, or an individual with Operator I or II license. He said we could look at this.

Reported a 150 horsepower pump failed at the M2 pump station. He said we will be buying a backup, which Manteca wants for their use. This is not a problem since Lathrop's pump station is no where near capacity, they have three pumps as Manteca does, but they are only using 1 to 1 ½ of them so they have a spare, where Manteca uses all three most of the time.

Still spending large amounts of time repairing fibers, last few weeks have averaged 101 hours per week. Zenon's engineers are looking at ways to reduce this problem.

President Kuil asked the Board to consider purchasing a color copier/printer. Giuntoli told the Board that currently we are using Ink Jet printers for color printing at an annual cost of \$4,000 for cartridges. Cost per month for the Mo-Cal Office Solutions printer is \$613.00 plus 6 cents per copy. Currently we run approximately 20,000 copies per month. At 6 cents this is \$1200, plus \$613 rent, totals approximately \$1,813.00 per month. She recommends leasing from Mo-Cal, and authorizing staff to execute an agreement with Mo-Cal. Motion by Director Roos, seconded by Director Schulz, and unanimously carried, to lease the Mo-Cal printer as recommended.

President Kuil asked for the Manager's reports:

General Manager Stroud reported the following:

Said he received the job descriptions from Mr. Johnson, and they are ready for the Board's review.

Said Jeff Hammond who was rear ended a few months ago is back to work after 79 calendar days off.

Vander Pol said the line that serves him is worse than others we scheduled to repair and wants us to reconsider. We inspected the line and it does have problems, but not as bad as those selected for replacement.

CSDA, which we are members of asked if they could use our facilities for training. I committed to February 7 and 8, 2008.

Shields reported the following:

Handed out a sheet with PG&E expenditures.

Said he felt the Holbrook reception was a success.

Said there are two new initiatives being circulated on Eminent Domain. One by Howard Jarvis and the Farm Bureau and another by the League of Cities. He will bring a recommendation to the Board regarding SSJID support and or opposition.

President Kuil called for closed session. District Counsel Emrick said we will be discussing the following six items in closed session:

Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9
SSJID v LAFCo, Superior Court San Joaquin County, Case # CV 030255.
SSJID v Meridian Pacific et. al. Superior Court San Joaquin County, Case # CV 030855.

Conference with real property negotiators. Property APN 249-160-22, Agency Negotiator Steve Stroud, Negotiating Parties: Ron Polhemus, under negotiation: Price and terms of lease/fee purchase.

Conference with labor negotiator, Agency Negotiators: Lee Clark and Jeff Shields. Employee Organization: I.B.E.W. Local 1245.

Conference with real property negotiator: Negotiating parties: District, Stockton East Water District. Agency negotiator: Steve Stroud. Under negotiation: Price.

Public Employment, Gov. Code, S. 54957. Position, General Manager.

Public Employee Performance Evaluation. Title: Chief Financial Officer – Tri-Dam Project.

Upon returning from closed session District 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 Director Roos, seconded by Director Schulz, and unanimously carried, to adjourn to September 11, 2007 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary