

Manteca, California
August 28, 2012

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. Director Holbrook called the meeting to order and Director Holmes led the flag salute.

Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK HOLMES KAMPER KUIL ROOS
ABSENT: NONE

Also present were General Manager Shields, General Counsel Emrick, Engineering Department Manager Sam Bologna, and Betty Garcia, Executive Secretary.

Director Holbrook asked for public comment. There was no public comment.

The Board was asked to consider the following Consent Calendar Items.

CONSENT CALENDAR

- A. Approval of Warrants of \$587,420.57.
- B. Approval of Board Meeting Minutes of August 14, 2012.
- C. Approval of Consent to Entry of Property to read and owner's agreement to maintain flow meter. This property is participating in the District's On-Farm Water Conservation Program. Alan, Robin, and Hugo de Graaf, APN 206-070-04.
- D. Approval of Consent to Entry of Property to read and owner's agreement to maintain flow meter. This property is participating in the District's On-Farm Water Conservation Program. David and Leticia Contreras, APN 249-150-34.
- E. Approval of Consent to Entry of Property to read and owner's agreement to maintain flow meter. This property is participating in the District's On-Farm Water Conservation Program. Georgina Morrison, APN 225-020-02.
- F. Approval of increase to the Communications Department's Community Education and Awareness Program budget.

The following corrections to the minutes were noted as follows:

- Page 5, Director Roos statement about straw in the pipeline should be changed to "too many straws."
- Page 3, David Phippen, is a member of the "Ripon" Unified School District; not the Manteca Unified School District.

- Page 7, Jeff Shields report to put 60,000 acre-foot of water into the New Melones conservation account should be changed to 80,000 AF.

A motion was made by Director Roos and seconded by Director Kuil to approve the consent calendar items with the corrections to the minutes as stated above.

PASSED AND ADOPTED on this 28th day of August 2012, by the following roll call vote:

Ayes: Holbrook, Holmes, Kamper, Kuil, Roos

Absent: None

ACTION CALENDAR

Item #2 – Consider Request for Reimbursement from Charlie Harris

Ms. Kathleen and Michael Harris addressed the Board regarding the property located at 24553 South Olive Road in Ripon. She indicated there were several problems namely the tree removal, the fence removal and the right-of-way issue on South Olive Road. Ms. Harris stated she had met with Sam Bologna and Jeff Shields from SSJID and a foreman of Knife River Construction and was told the fence would be replaced but to date it has not been replaced. Mr. Bologna stated the deed the District has does not match up with what Ms. Harris has stated. There appears to be a conflict of the information that was presented. A copy of the deed was presented to Mrs. Harris. The District's information clearly shows that pipeline was installed in the easement and trees were in the easement. Also, the fence on Olive Road was in the County Right-of-Way. Mr. Bologna said the District's field inspector did meet with Mr. Harris and his contractor on April 21, 2011. They were provided information concerning requirements but failed to follow through. Additionally, the Harris' were aware of the requests since the excavation plan approval was dating back to 2009. The gates were welded closed by our maintenance department due to the concern that the ditch would erode without the stub-out structure that was required.

Secondly, Michael Harris said there were issues with the valves on the ditch belonging to the Harris Family Trust and they contacted Pacific Southwest Irrigation as well as Waterford Irrigation Systems to give them bids on the needed work. They were told that SSJID has not given these companies the information they need to give them a price quote. They informed the Board if they do not plant their field soon, the County will be charging them \$1000 per month penalty.

After a lengthy discussion, Director Holbrook gave direction to SSJID staff to meet with the Harris Family to discuss and clarify their issues. He suggested that Betty Garcia, Executive Secretary, attend the meeting, take notes, and transcribe the minutes of this meeting. He asked that the Harris Family be sent a copy of the minutes to ensure they are in agreement with the outcome.

Item #1 - Update on Division 9 Project

Mr. Jeff Shaw addressed the Board stating that he hand delivered easement information directly to the Harris Family and that no work was done without speaking to them first.

Mr. Shaw stated that a full transfer of operations for Division 9 is in progress. He is creating an organization chart indicating each job classification and job flow. He said activities will be completed by existing staff and that his goal is to ensure staff is sufficient to keep the operations going. He said the maintenance of the operation will be challenging with the existing staff, particularly with the maintenance and cleaning of 76 vaults which require a lot of work. The next step is to establish emergency procedures which will state who is responsible for what action in the case of an emergency. He also wants to create an inspection sheet so that every activity is documented. He said it is important to keep maintenance requirements and inspections recorded. Mr. Shaw questioned the Board on whether or not they would like the pumps to continue to run during the off season. Director Holmes suggested that off season procedures are established based on Mr. Shaw's recommendations and to see how operations are for the first year. Director Kamper agreed with Director Holmes. Mr. Shields indicated he and staff would establish a maintenance plan for Division 9 and bring it back to the Board for their review and approval.

Mr. Shaw is continuing to work on the website, adding real time statistics, basin levels, flow, and optimizing the V-line water demand. He stated there are still four issues that remain which are Flow meters; U&V out – actuators, noise issues and erratic reading; moisture sensors. He is working on a bid package for new customer connections. There was no action taken on this item.

Item #3 – Approval to Replace Existing Log Booms with Industrial Buoys

Mr. Bill Hubkey and Mr. Justin Ashworth addressed the Board stating in the last seven years, the District has spent approximately \$249,755.25 on Log Boom repairs and maintenance. He indicated staff is proposing to replace the existing log booms with 36 buoys. Six are already in place and we would add eighteen (18) additional ocean buoys, with two (2) Nautical Mile clear solar lights, and twelve (12) floating signs posting the new county ordinance which states operation of any and all watercraft in the area between the buoys and the water quality wall at Woodward Reservoir is punishable by a \$500 fine. The request also includes \$37,732 to purchase anchoring materials from Dor-Mor, Inc., \$19,155 to have Underwater Resources remove the log booms and install the new buoys, \$15,271 for security cameras and \$4,000 for an entrance sign.

Director Roos asked why the District has selected a firm on the East Coast to purchase the buoys from and was concerned about the cost of freight which is approximately \$7000. Mr. Ashworth stated it is because the companies in California would not quote the District's specifications.

A motion was made by Director Kamper and seconded by Director Holmes to accept staff's recommendation of \$112,308 to replace the log booms with the 18 new can buoys and solar lights and 12 signage buoys to be purchased from Rolyon Buoys, to purchase the new entrance sign, to purchase anchoring materials from Dor-Mor, retain Underwater Resources for removal

and installation, and install security cameras as presented and to include a contingency of \$8,000 to be spent only with the approval of the General Manager should the need arise, making the total cost of the project to be approximately \$120,308. Motion passed unanimously.

Item #4 – Approval to enter into agreement with Salary Survey consultant

Mr. Shields indicated it is time to renegotiate the labor agreements and that Bryce Consulting has been a good firm to work with in the past. Mr. Thornburg stated proposals were sent to three firms similar in scope and cost and staff's recommendation is to select Bryce Consulting who did the Modesto Irrigation District's salary survey. Director Kamper asked why the District did not include information from private firms. Mr. Shields stated that private firms do not release information.

A motion was made by Director Roos and seconded by Director Kuil to accept staff's recommendation to hire Bryce Consulting to conduct the salary and benefits survey not to exceed the amount of \$19,200. Motion passed 4 to 1 with Director Kamper casting a no vote.

Item #5 – Consider City of Tracy's request for increase in water allotment

Mr. Jeff Shields addressed the Board stating the City of Tracy is requesting an increase to their water allotment by 2,000 AF and their current allocation is 10,000 AF. This would require environmental review and would require a new transaction. It may have to be a take or pay clause similar to the City of Ripon. The City of Tracy wants a no drought contingency and has offered to put in a well. Director Roos said in water shortage years, the District must be careful not to move water to the City of Tracy if the farmers need it. Director Holmes asked if the City of Lathrop's water allocation could be relocated since they are not using it. Director Roos also expressed concerns in regards to the City of Ripon's water allocation and does not want that to be jeopardized.

After much discussion, a motion was made by Director Kamper and seconded by Director Holmes to authorize the General Manager to enter into negotiations with the City of Tracy regarding their request for an increase to their water allotment and to bring information back to the Board for their review. Motion passed unanimously.

Item #6 – Approval of Financial Statements and Investment Report for July 2012

Mr. Bere Lindley distributed a handout of page FS-9 to replace the one that had been included in the Board package stating that some of the numbers had been cut off. He called the Board's attention to the statement of changes in net assets for the month of July on page FS-5 and stated the positive change in net assets of \$845,279 is a strong number due to the \$1.8 million distribution received from Tri-Dam Project. The amount of funds in money market accounts is relatively small compared to the past, which reflects an effort to be more fully invested. He also said he is considering transferring more money out of LAIF and into municipal securities. There was no action taken on this item.

Item #7 – Consider proposals for Agricultural Water Management Plan

Mr. Sam Bologna addressed the Board stating that proposals were sent to nine (9) prospective consultants to prepare an Agricultural Water Management Plan in accordance with the SBX7-7 regulations required by the State. He said the District received two proposals, one from Provost & Pritchard Consulting and the other from Davids Engineering. He stated the proposal from Davids adequately satisfies all tasks necessary to complete the plan within the required timeline. He indicated they are currently under contract with the District to perform water measurement tasks and have familiarity with our system. Mr. Shields stated the plan must be completed by December 31.

A motion was made by Director Kuil and seconded by Director Holmes to accept staff's recommendation to enter into contract with Davids Engineering to prepare an Agricultural Water Management Plan as outlined in their proposal in the amount of \$24,478 which could include optional tasks in the amount of \$9,762 making the total costs not to exceed the amount of \$34,240. Motion passed 4 to 1 with Director Roos casting a no vote.

Item #8 – Consider proposal from GeoTechnical services for Capital Improvement Projects

Mr. Sam Bologna stated as part of the quality control procedures for three projects that are being planned for construction, it will be necessary to secure the services of a geotechnical firm. He indicated the District had received quotes from three firms who provided a summary of the cost breakdowns for each of the anticipated services required. Ms. Shields noted that these projects have already been included in this year's budget.

Mr. Emrick noted the Kleinfelder proposal did not include prevailing wage laws. Mr. Bologna believed it was an error and was going to inquire to ensure it was a misprint.

A motion was made by Director Kuil and seconded by Director Roos to accept staff's recommendation to secure services from Kleinfelder, subject to written confirmation regarding the prevailing wages clause, for geotechnical work related to the proposed projects in an amount not to exceed \$10,024. Motion passed unanimously.

Item #9 – Approval of Request for Proposal of pipe purchase

Mr. Sam Bologna stated that Request for Proposals had been sent to three different pipe suppliers. The suppliers were asked to provide a unit price per foot in each category of pipe size and class. They were also asked to provide quotes that will be valid for a one year period from the date of the contract. He informed the Board that the costs had already been factored into the budget for capital improvement projects and previously approved by the Board.

A motion was made by Director Holmes and seconded by Director Roos to accept staff's recommendation to enter into contract with Kristich Monterey Pipe to provide pipe for a period of one year. Motion passed unanimously.

Item #10 – Communications

Director Roos

- He did not recall seeing billing information from Modesto Irrigation District for the last two meetings.

Director Kuil

- He was invited to attend a Republican Party of San Joaquin County in Lodi on October 20 regarding water rights and federal jurisdiction. He is unable to attend and suggested a member of the Board attend.

Director Kamper

- He was asked by growers if the District could co-sponsor dust control cost sharing with farmers and would like to apply calcium chloride to help control the dust.
- He wondered if Claribel lateral was to be used for the Brisbane water transfer Mr. Emrick said he believed that if it was, only 5,000AF could be moved each year due to flow restriction. He will look at the OID agreement but believes it may be expired.

President Holbrook asked for Managers Reports.

Bill Hubkey, Water Treatment Plant Manager

- Plant staff has contacted the Oakdale Rural Fire Department about providing emergency services to the Water Treatment Plant area. Valley Home Rural Fire Department is unmanned. Using the LAFCo process to see if the WTP can be annexed into the Oakdale District.
- A boat sunk into the Woodward Reservoir yesterday. Park staff are unsure if it is retrievable.
- WTP staff are preparing for the first load of V-4; delivery is expected to be late September or early October.
- Plant staff have installed the new UV254 unit which will help monitor the organics in the water.

Troylene Saylor, Communications

- A Night Among Heroes Police Officers Ball at Manteca Senior Center on September 8; there are 4 tickets left and encouraged Board participation.
- BIA Salute to Policy Makers Reception on September 10 at 5:30; to date there are no Board members attending; Directors Holmes, Holbrook, and Roos stated they would attend.
- Agape Foster Agency Fairways for Foster Kids on September 21; registration at 6:30, T-off at 7:00; Directors Roos and Holbrook said they would attend.

Sam Bologna, Engineering

- Conservation Program has received 166 applications; \$1,124,809 in funds applied for and \$516,997 paid out.

- The District is now hooked up to City water; he thanked the district crews for doing a good job.

Jeff Shields, General Manager

- Ron Morrow’s services were held at Fry’s in Manteca last Friday.
- Manteca Redevelopment Agency Oversight Board meeting is at 2:00 p.m. today; will attend with Director Holbrook. S&P has upgraded the City of Manteca credit rating from “BBB” to “A”.
- Pension reform; this is the final week of the legislature and the District is following several bills closely since this is when the “gut and stuff” process kicks into full gear. The legislature is negotiating a Pension Reform bill which will impact all public agencies in California. He was in Sacramento yesterday reviewing legislation and was briefed on the rumors of what is in the pension reform legislation. Whatever is in the bill will not be known until late Wednesday after the party heads have hammered out an agreement. Once that is done it will be virtually impossible to make changes.
- Dianne Feinstein lunch is sponsored by the Modesto Chamber of Commerce at the DoubleTree in Modesto at 11:30 a.m. on Thursday, August 30.
- Stanislaus County Groundwater Ordinance has received many comments and the ordinance was sent back for redrafting. Introduced a letter from Tom Terpstra. The ordinance is an effort by Stanislaus Farm Bureau and County Supervisor DeMartini to block the Modesto Irrigation District water sale to San Francisco.
- Today at 1:30 there is a conference call with the Bureau of Reclamation to review their accounting of the District’s water and conservation accounts. The Bureau continues to argue that our conservation account was completely eliminated last year as “flood releases” but that is hard to account for if you first remove the environmental releases. It appears SSJID will be able to put about 80,000AF back into the account on October 1. The District could put more if we had assurances the Bureau would not simply divert this water to other purposes.
- Distributed weekly water usage and daily TriDam operations reports to Board.
- Water to the District office is up and running; bottled water service is being discontinued. The new line was engineered and built by District crews.

General Counsel announced the Board would be discussing items 11a, b & c under Closed Session:

ITEM #11 – CLOSED SESSION

11. a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9
- 2 cases
- b. CONFERENCE WITH LEGAL COUNSEL- Anticipated Litigation
Significant Exposure to Litigation pursuant to subdivision (b) of Section 54956.9
- 2 Cases

- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Government Code section 54956.8
Property: 245-200-08, 245-200-10
Negotiating Parties: SSJID and RJM Vineyard, LLC
District Negotiator: General Manager and Engineering Department
Terms: Price and terms of payment

Upon returning from closed session, it was announced that no reportable action was taken in closed session.

ITEM #12 - ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Holmes and seconded by Director Kamper to adjourn the meeting. Motion passed unanimously.

ATTEST: _____
Betty Garcia, Executive Secretary