

Manteca, California
September 9, 2003

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: DEGROOT KAMPER SCHULZ ROOS KUIL

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. SSJIID Warrants of \$479,374.15, and Payrolls of \$152,697.92.
- B. Regular adjourned Board meeting minutes of August 26, 2003.
- C. Acceptance of improvements for Laterals "Y" and "Ya" for the Pasco Development in Manteca.
- D. Correction of June 10, 2003 Board Meeting Minutes. Minutes of the motion to commence development of the retail distribution system is amended to read as follows: Motion by Kamper, seconded by Roos, and unanimously carried, to commence development of the retail distribution system as recommended by the General Manager in his staff report dated June 6, 2003.
A copy of the staff report follows:

SUBJECT: Retail Electric Utility System -Next Steps

At its meeting of May 27, 2003, Board of Directors received the Retail Electric Utility System Business Operations Plan prepared by Chevron Energy Solutions (CES), approved release of said plan, and, to provide for a consideration period, put action over to June 10, 2003.

To further assess interest in the proposed means of bringing the value of Tri-Dam power to the people in the District, staff and consultants engaged a number of prospective customers in discussion. Feedback has been very positive. And, we expect further interest as a result of substantial media coverage.

We are advised that several people plan to address the Board, urging a decision to move forward. There may also be questions or comments to the contrary. Staff recommends that the Board receive all comments, take a 15-minute recess to provide staff an opportunity to organize questions and responses, and then resume the meeting.

Following staff/consultant responses, the Board should be in a position to provide direction to staff.

RECOMMENDATION:

Commence development of the retail distribution system, subject to approval of a budget for system development and approval of appropriate amendments to the CES agreement to accomplish system development and to:

1. Develop proposals for engineering, environmental review, real estate appraisal and negotiation and other consulting services necessary for system development;
2. Develop necessary agreements with Manteca, Modesto Irrigation District, San Joaquin County and other agencies for Board approval;

3. Develop a term sheet for negotiations with prospective customers for Board approval;
4. Recommend necessary staffing for management, construction, and operation of the retail distribution system;
5. Request additional Board action as necessary to complete system development;
6. Make a final recommendation to the Board regarding initial construction of the retail distribution system upon completion of system development.

E. Approve conditions in CDFG Stream Bed Alteration Permit.

F. Approve agreement for Carp removal and temporary game fish relocation for Woodward Reservoir.

Director Roos left to attend a funeral at 9:15 a.m.

Motion by DeGroot, seconded by Kuil, to approve the Consent Calendar Items as presented.

PASSED AND ADOPTED this 9th day of September 2003 by the following roll call vote:

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

Consider approving plans and specification and authorize a call for bids for 2003 Lateral "Q" Canal Rehabilitation Project. Work to be done from Van Allen Road to the weir at Carrollton Road. Engineer's estimate is \$660,000 including a 10% contingency. It was noted there is a bridge that crosses the "Q" where the work is to be done. It was the consensus of the Board that staff should work with the landowner where possible.

Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve plans and specifications and call for bids for Lateral "W" Canal Rehabilitation Project.

Approved plans and specifications and authorized a call for bids for Lateral "H" replacement project. The engineer's estimate is \$752,000 including a 10% contingency. Motion by Kuil, seconded by Kamper, and unanimously carried, to approve plans and specifications and call for bids for the Lateral "H" pipe replacement project.

Approved Consent to Common Use Agreement with Cal-Trans. Emrick recommended authorizing the President and Secretary to execute the above Agreement.

Motion by Kuil, seconded by DeGroot, and unanimously carried, to approve the Agreement with Cal-Trans as submitted and authorize execution by the President and Secretary of the Board.

Consider approval of Consulting Agreement with Jack Stermer. The Board asked this item be tabled until the next meeting. No action was taken.

Consider Environmental Review Contract with Russell Associates. The Board asked this item be tabled until the next meeting. No action was taken.

Consider request from Central San Joaquin Water Conservation District (Central) to amend the 2003 Water Purchase Agreement. Director Kuil said he would abstain from discussing and voting on this item since he had a possible conflict. Emrick said that Central has asked to purchase an additional 2,000 acre feet. He recommended that the Board authorize the General Manager to negotiate an appropriate price for the additional water. Motion by DeGroot, seconded by Kamper, to approve the amendment to sell an additional 2,000 acre feet and authorize the General Manager to negotiate the price. Motion carried by the following vote:

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

General Manager's report: Stroud reported the following:

Ag Waiver, the Ag Coalition has filed an appeal.

The test trial for uniforms is finished and the recommendation of the crews is to stay with Aramax and go to denim pants and cotton shirts. Stroud said he will put this on the agenda at the next meeting for consideration by the Board.

Last week, Division #2 Ditchtender, Al Lopez, broke his ankle while on duty. He had surgery insert 5 pins and a plate in his broken ankle. At this time it is unknown when he will return to work.

Ron Strmiska, Jr. stated his primary motivation for taking the welders job was the increase in pay, and a secondary motivation was the lower stress level compared to the Inspector job.

Relative to pay rates, there were several other positions that may need to be looked at in addition to the inspector position. Since the last Board meeting Stroud received requests for review of compensation for seven positions. For example, on an hourly basis, the Water Department Supervisors make less than the Division Managers during the irrigation season. Stroud said he feels we should do a comprehensive Salary and Benefit Survey of all employees, he estimates this would cost \$25,000. The consensus of the Board was to wait until negotiations with the Management Unit are completed to determine what, if any, additional issues remain.

Estimates to repair damages on the Northwest SIDE Project are \$35,000. This includes approximately \$4,000 for additional precautions to avoid future problems. The contractors will pay \$31,000 of this cost. NDI 2/3 and Conco West 1/3.

Diversions at Goodwin have been halted. We are currently only diverting enough water to supply the U-3 Ranch until the end of September.

Relative to the Treatment Plant:

The Cal Trans permit was issued. The Operating Committee will be recommending hiring an Ombudsman for the project and this will be on our agenda on September 23, 2003.

The Rail Road is asking an additional \$220,000 for use of Manthey Road. The Operating Committee recommended that we pay under protest, and try to recover the funds later, rather than delay issuance of permits for the work now.

We are still waiting on the permits for the San Joaquin River Bridge. They are expected in October and no concerns have been raised on processing so far.

Next week letters will go out to landowners to advise them of the pending construction.

Relative to electricity the DWR has reduced their debt by one billion dollars, so there will be a credit on electric bills of 0.6 cent per kilowatt hour for consumption over the past 12 months.

Meetings:

09/09/03 Tri-Dam Special meeting at 1:30 p.m in our Board room to hear a presentation by PG&E regarding sale of Tri-Dam power after the current contract ends.

09/10/03 Ground Water Banking meeting.

09/18/03 Tri-Dam meeting at OID.
09/30/03 Settlement Conference in Sacramento.

Directors' reports:

Kamper said there was damage to private property on Vera and Fourth in Ripon by the contractor who is filling District Lateral "UE dd". Stroud said he will have Engineering investigate.

President Schulz called for closed session relative to litigation matters, personnel matters, and labor update as follows: District Counsel Emrick announced the Board will discuss the following in closed session: a) 1, 3 and 7; b);c); and d).

- a) Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9. Three cases:
 - 1. Delta Keepers vs. OID.
 - 2. Sierra Club, et. al., vs. SSJID.
 - 3. SSJID vs. Ronald Leachman.
- b) Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. One case.
- c) Conference with legal counsel, initiation of litigation. Gov. Code, S. 54956.9. One case.
- d) Public Employment: Title; Utility Systems Development Coordinator. Gov. Code, S. 54957.

Upon returning from closed session District Counsel Emrick announced 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 Kuil, and unanimously carried, to adjourn to September 23, 2003 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary