

Manteca, California
September 11, 2001

The Board of Directors of the South San Joaquin Irrigation District met in regular adjourned session in their chambers at the hour of 9:00 a.m.

Upon roll call the following members were noted present:

DIRECTORS: DEGROOT HAWORTH KAMPER ROOS SCHULZ

Also present were Secretary/Manager Stroud, General Counsel Emrick, District Engineer Gilton, Engineering Department Supervisor Bologna.

President Kamper called the meeting to order and asked for a moment of silence for the victims of terrorism that took place earlier this morning.

President Kamper asked for Public Comment. There being none he asked the Board to consider adopting the following consent calendar items as presented:

CONSENT CALENDAR

- A. SSJID Warrant of \$383,734.25 and payrolls of \$130,205.99.
- B. Regular Adjourned Board Meeting Minutes of August 28, 2001.
- C. Consider acceptance of work related to the replacement of the roof tiles on the main office complex performed by A&B Roofing and authorize recording of a Notice of Completion for the project.
- D. Consider acceptance of work related to the replacement of a portion of Drain 4 within the Primavera Unit #2 Development and authorize the recording of a Notice of Completion of the project.
- E. Consider acceptance of improvement related to the replacement of a portion of Drain 3 and Lateral "Re" within the Spring Meadows Unit #2 Development and authorize the recording of a Notice of Completion for the project.
- F. Consider acceptance of improvements related to the replacement of a portion of Lateral "Re" within the Sierra Creek Development and authorize recording of a Notice of Completion for the project.

Motion by Schulz, seconded by DeGroot, to adopt the Consent Calendar Items as presented above.

PASSED AND ADOPTED this 11th day of September 2001 by the following roll call vote:

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|-------|---------|---------|--------|------|--------|
| Ayes: | DeGroot | Haworth | Kamper | Roos | Schulz |
| Noes: | None | | | | |

Consider request from Jerry DeGroot to purchase a strip of land owned in fee by the District that is used for a portion of Lateral "U" in Ripon, located north of Highway 99 where the "U" crosses the highway. Bologna said the strip is approximately 1/4 of an acre. He recommended that should the property be sold it be with a quitclaim reserving easements. Stroud said he feels that when considering selling property, we need to look at reserving the right to use that property in the future for any District purpose and at no cost to the District. For example, should the District go into the retail power business, we should not have to purchase rights to use property we owned and sold below market value. After discussion the following action was taken. **Motion by Haworth, seconded by Schulz, to authorize selling the property as requested, but to reserve rights to use easements with the purchaser, acceptable to Jerry DeGroot and to the General Manager and General Counsel of the District. Additionally, this approach should be used on future requests.**

Motion carried by the following:

| | | | | |
|----------|---------|--------|------|--------|
| Ayes: | Haworth | Kamper | Roos | Schulz |
| Noes: | None | | | |
| Abstain: | DeGroot | | | |

Discussion and possible action concerning request by Majorie Alfieri to terminate Irrigation Service Abandonment Agreement #405. **Motion by Haworth, seconded by Roos, to Approve as Requested.**

Motion carried by the following:

| | | | | |
|-------|---------|---------|--------|------|
| Ayes: | DeGroot | Haworth | Kamper | Roos |
| Noes: | Schulz | | | |

Discussion and possible action concerning extension of agreement with Teichert Construction for dirt/sand removal at the Van Groningen Reservoir. It was the consensus of the Board not to extend the agreement with Teichert. Designated removal of main east west berm by District forces as material is needed for maintenance and repairs. Ultimate configuration of the Van Groningen Reservoir to be 2 chambers, existing reservoir and the balance of area in separate cell. No action was taken.

Report on the September 10th South County Surface Water Supply Project Operating Committee Meeting. Grant Kreinberg, Project Engineer, told the Board that as a result of the favorable court decision the Cities unanimously voted to move ahead with the next phase of the project. Kreinberg asked the Board to approve Resolution 01-17-A, APPROVING FINAL PROJECT DESIGN FOR SOUTH COUNTY SURFACE WATER SUPPLY PROJECT.

Motion by Schulz, seconded by DeGroot and unanimously carried to adopt Resolution # 01-17-A.

**RESOLUTION 01-17-A
APPROVING FINAL PROJECT DESIGN FOR
SOUTH COUNTY SURFACE WATER SUPPLY PROJECT**

Whereas, South San Joaquin Irrigation District (“District”) has entered into a Water Supply Development Agreement (the “Agreement”) with each of the cities of Manteca, Escalon, Lathrop and Tracy (collectively, “Cities”) to construct, operate and finance the necessary facilities to deliver treated water to the Cities (the “Project”), and

Whereas, by the terms of the Agreement, the District has established an operating committee composed of the general manager of the District and the city managers of each of the Cities, and

Whereas, before the District may approve a project milestone for the Project, the District’s Board of Directors must receive a certified resolution of the Operating Committee recommending that the District approve the project milestone, and

Whereas, the District has received a resolution from the Operating committee recommending approval of Final Design, and

Whereas, the District proposes that funds of \$12,000,000 be raised for final design and the related purposes described in Table 1 attached to this Resolution (collectively “Final Design”), and

Whereas, upon approving and before commencing Final Design, the District is required by the Agreement to notify the Cities in writing of the commencement of a 45 period to disapprove the Final Design milestone by delivering written notice to the District before expiration of the 45th day, and

Whereas, each City intends to pay for Final Design from its own funds without financing from the District in the amounts shown in Table 2 attached to this Resolution (“Revenue Plan”), before expiration of the 45th day,

NOW THEREFORE, BE IT RESOLVED that:

1. The Final Design milestone and the Revenue Plan attached to this Resolution as Tables 1 and 2 respectively, are approved.
2. The District's General Manager is instructed to issue each of the Cities a 45 day letter before commencing the Final Design as provided in the Agreement.
3. The District's General Manager is authorized and instructed to enter into all agreements required to commence Final Design upon expiration of the 45 day notice period if no City has notified the District of the City's disapproval of the Final Design milestone, at such time that all of the funds described in the Revenue Plan are received. Final Design may commence before the 45 day notice period expires if and when the District receives from each City both the required funds and a written statement approved by the respective City Council waiving the remainder of the 45 day notice period in which to disapprove the Final Design milestone.

PASSED AND ADOPTED this 11th day of September 2001 by the following roll call vote:

Ayes: Kamper Schulz Haworth Roos DeGroot

Noes: None

Table 1
Proposed Design Phase Budget
South County Surface Water Supply Project

| Task | Budget Estimate |
|--|---------------------|
| Design & Plans and Specifications ¹ | \$6,900,000 |
| Geotechnical/Corrosion Investigations | Task Authorized |
| Utility Locations | Task Authorized |
| Survey & Mapping | Task Authorized |
| Permits & Environmental Surveys ² | \$250,000 |
| Property Acquisition | \$3,375,000 |
| Administrative/Legal/Management/Outreach | \$375,000 |
| Subtotal | \$10,900,000 |
| Contingency @ 10% | \$1,100,000 |
| Total | \$12,000,000 |

Allocation of the design phase costs among the Cities is defined in the Water Supply Development Agreement, as amended. Table 2 illustrates the allocation of the proposed design phase budget among the Cities.

Table 2
Allocation of Design Phase Budget among Cities

| Agency | Amount |
|---------|-------------|
| Manteca | \$3,528,000 |
| Escalon | \$219,600 |
| Lathrop | \$4,002,000 |
| Tracy | \$4,250,400 |

¹ Includes 5% Engineering Contingency

² Partially completed

| | |
|-------|--------------|
| Total | \$12,000,000 |
|-------|--------------|

Consider approving proposal from Tarwater Appraisal Company to appraise real estate interests required for the Northwest Pipeline (S.I.D.E.). Gilton said the cost will be \$4,300 for evaluation of right-of-way needs along the pipeline. **Motion by Roos, seconded by Kamper, and unanimously carried to approve hiring Tarwater Appraisal Company as requested above.**

Discussion and possible action relative to a money manager for the South County Surface Water Supply Project funds and for District funds. Stein told the Board that he and Stevan Stroud had interviewed four potential managers. He stated that both he and Steve recommend using Public Financial Management. After a short discussion, the following action was taken. **Motion by DeGroot, seconded by Schulz, and unanimously carried, to approve the appointment of Public Financial Management (PFM) to manage the funds from the Water Supply Project. This appointment is subject to approval by the Finance Committee.** (The Finance Committee tentatively will meet at 8:00 a.m. on Thursday, September 20, 2001 to resolve any remaining questions with PFM).

Consider authorizing drilling of a new domestic well for District Administrative Complex (11011 E. Hwy 120, Manteca). Gilton told the Board he has a couple of other options to look at first and would like to table the new well until additional investigation is completed. No action was taken.

Report on the S.I.D.E. Project. Gilton reported on the status of the project. He handed out maps and gave a detailed report of the project's status. He said that this project will definitely give us more flexibility and will change the way we deliver water in the future. However, he stated this is not an "on-demand system", we will still have to do scheduling. No action was taken.

Manager's reports:

General Manager Stroud reported that our next meeting with MID to discuss power is on September 17, 2001.

Stroud reported that hotel reservations have been made for the ACWA Fall Conference in San Diego for all Board members. He asked that those not attending let him know ASAP so that reservations can be cancelled in a timely manner.

Stroud asked for a preliminary date to end the water season. It was the consensus of the Board to end the season on Thursday, October 18, 2001.

District Engineer Gilton said due to time constraints, he is planning to hire an engineer to survey the property lines for the Lateral "A" replacement. He stated he will put this on the agenda for the September 25, 2001 meeting.

Directors' reports:

DeGroot asked about District after hours emergency numbers. Stein said if you call the office after hours you will be given a number to call. During irrigation season that number is the Control Room at the Van Groningen Reservoir. During Maintenance Season it is a pager number for the on-call Supervisor.

Schulz asked about OID's proposed Foothill Reservoir. Emrick said he wasn't familiar with the Foothill Reservoir, but he would look into it and report back at the next meeting.

President Kamper called for closed session relative to litigation matters, personnel matters, and labor update as follows: General Counsel Emrick reported the Board will be discussing items a) and c) in closed session.

- a) Conference with legal counsel, anticipated litigation, Institution of Litigation. Gov. Code, S. 54956.9. Two cases.
- c) Conference with legal counsel, anticipated litigation. Significant exposure to litigation, Gov. Code, S. 54956.9 (b). One case. Initiation of Litigation, Gov. Code, S. 54956.9 (c). One case.

Upon returning from closed session General 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 Haworth, seconded by Schulz, and unanimously carried, to adjourn to September 25, 2001 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary

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