

Manteca, California
September 13, 2005

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 KAMPER ROOS SCHULZ KUIL

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton, Utility Systems Director Shields, and Engineering Supervisor Bologna.

President Roos called the meeting to order and asked for public comment.

Ron Cheek, RLC Associates told the Board that he was asked by Bob Florsheim to request that the Interim Agreement be put on the agenda. DeGroot asked why it was not on this agenda since Florsheim had addressed the Board at the last meeting, asking that this issue be put on the next agenda. Stroud explained that at the last meeting President Roos indicated that the Board would discuss this matter with District staff, and that he did not have all the information ready, nor did he meet with the Committee on this matter, thus it was not on the agenda. Stroud said there are several things that he needs to receive direction on from the Board. Such as:

1. Who the parties to this agreement are? To date we have received nothing from the City of Manteca.
2. Priority of service. Can they drain before, during, or after the residents in the District drain?
3. Who pays costs of drainage, operation and maintenance, testing of water?
4. What is the cost for surface water treated at the treatment plant? Currently residents outside of District pay more than residents of the District pay. Now that Manteca will have water customers outside of SSJID boundary, addressing the issue is necessary.
5. Safety and liability.

He said he has a list and will meet with the committee prior to the next meeting, and will place the discussion and possible action of the Interim Agreement on the agenda for the next meeting as directed.

Mike Silva, Mitchell Engineering addressed the Board. He asked the Board sign the agreement.

President Roos asked the Board to consider approving the Consent Calendar as submitted.

- A. Approve SSJID Warrants of \$1,119,334.39, and Payrolls of \$214,188.08.
- B. Approve Regular Adjourned Board Meeting Minutes of August 23, 2005.
- C. Accept and file Notice of Completion for the Jasmine Hollow #2 Development.

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

PASSED AND ADOPTED this 13th day of September 13, 2005 by the following roll call vote:

Ayes:	DeGroot	Kamper	Roos	Schulz	Kuil
Noes:	None				

President Roos asked Utility Systems Director to give his report out of order so he could attend the Modesto Irrigation District Board meeting.

Shields reported that the California State Legislature had 2 bills in committee this session on eminent domain, both were tabled.

District filed the formal LAFCO and CEQA applications

PG&E has asked the PUC to allow them to do a test on 5,000 automatic meters. SSJID has intervened in this proceeding asking the Commission to prohibit PG&E from installing any of these meters in SSJID's service area.

PG&E has two new rate increases filed. Residential electric rates in the valley would increase 13.4% effective January 11, 2006. However, we did the calculation on using a District employee's PG&E bill, and it increased over 18%. The Ag rate increase is 3.8% overall. Additionally PG&E announced that natural gas rates will increase over 40% starting immediately. Customers will see this increase on their bill in the next few weeks. Shields informed the Board that neither the electric nor the natural gas increases would require a public hearing.

President Roos introduced Dave Ward, InterWest Insurance Services to the Board. Mr. Ward told the Board he doesn't have the final quotes from the two insurance companies quoting. They are: 1. Rural Special Districts, which is the District's current liability and property damage carrier, and 2. Special District Risk Management Association, which is our worker's compensation carrier.

Mr. Ward was asked if hurricane Katrina would affect the rates. Ward said he didn't think so, but you can never tell. Roos asked about deductibles. Ward said the District has \$10,000 on liability, \$10,000 on property, \$50,000 on flood, and 5% of the claim for earthquake. Ward said he will have the final quotes in time for the September 27, 2005 Board meeting. The renewal date is October 1st. Ward said he would attend the next Board meeting to brief the Board and answer questions on available options. No action was taken.

Consider approving cost sharing with the City of Manteca for the installation of approximately 1,300 feet of pipeline through the Tesoro Project. Bologna told the Board that the issues here are related to the SIDE Project and the Van Ryn well. Originally we were going to install 60" pipe, however after complete review we found a 48" pipe will be sufficient for our needs. Thus, our construction cost is basically limited to boxes. Since the system will have to pump irrigation water, Stroud asked Gilton about annual power costs? Gilton said it should be around \$20,000 per year. Also, we will need to replace the Van Ryn well. Ron Cheek, RLC Engineering representing the developer said the developer will reserve a right of way for the SIDE Project and put a new well at a location to be determined by the District to replace the Van Ryn well. Motion by Kuil, seconded by DeGroot, and unanimously carried, to accept the new well, and to work with the City in putting in the 48" line. Staff will determine the location of the new well.

Discussion and possible action relative to setting a date for the end of the 2005 irrigation season. Stroud said staff is recommending October 13, 2005 because it will only draw down the reservoir by approximately 13,000 acre-feet. This with the projected 5,000 acre feet usage by the Treatment Plant this winter will bring the reservoir down to around 12,000 acre feet. Due to extensive work in the Gable Tunnel this winter, it will be difficult to bring down more water during the Maintenance Season. Extending the season further, as has been suggested by some directors, will bring the reservoir down further. Also, going beyond the 13th will reduce the maintenance season. Schulz said he thinks we should go to the 1st of November. After discussion it was moved by DeGroot, seconded by Schulz, and unanimously carried, to end the water season on October 20, 2005.

Manager's reports:

Stroud reported:

That the ground breaking for the Highway 120 and 99 project will be Thursday.

That Jim Atherstone has filled the Environmental Compliance & Safety Officer position. Joe Catanzarite is the interim Construction Maintenance Superintendent.

Stanislaus County Sheriff has asked if they can put a repeater on our tower at Woodward. We are working with them on the details.

Thursday, September 15th is the Tri-Dam meeting at OID.

We are replacing a 48-foot portion of the Qg pipeline West of Prescott and North of Southland due to significant circle and side cracks.

The City of Manteca is going to put in a well on the unused portion of the M-2 site. We are working on an agreement.

The water treatment plant is producing 16 to 18 MGD.

President Roos asked for Directors reports:

Kamper asked Gilton and Morrow to get together and solve the Travaille problem on North Ripon Road, this winter.

Kuil asked about the pondweed growth in the SIDE pond on Louise Avenue. Gilton said we will drain the reservoir this winter, which should take care of the weeds.

Schulz asked about the Bd line. Stroud said we are going to build the single cell box this winter and will recommend that we replace the pipeline in 2006-2007 maintenance season.

President Roos called for closed session relative to litigation matters, and labor update as follows:

District Counsel Emrick reported we will discuss items a, and b, in closed session.

- a. Conference with real property negotiator. Negotiating parties: District and J Meneses & Sons Dairy Partnership. Property: San Joaquin County APN 208-060-37. Agency Negotiators: Steve Emrick and Jeff Shields. Under Negotiation: Price and terms of payment.
- b. Conference with legal counsel. Anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9 (c). Two cases.
- c. Conference with legal counsel. Anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9 (b). Four cases.

Upon returning from closed session District Counsel Emrick reported there was no reportable action taken in closed session.

Motion by Kuil, seconded by Kamper, and unanimously carried, to adjourn to September 27, 2005 at 8:00 a.m.

ATTEST:

John Stein, Assistant Secretary

Word 091305