

Manteca, California
September 13, 2011

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: KAMPER KUIL HOLBROOK HOLMES ROOS

Also present were General Manager Shields, Engineering Department Manager, Sam Bologna and District Counsel Emrick.

President Holbrook called the meeting to order and led the salute to the flag.

Holbrook asked for public comment. There being no public comment the Board was asked to consider the following Consent Calendar Items.

CONSENT CALENDAR

- A. Warrants of \$2,269,950.21 and August Payroll of \$354,273.35
- B. Regular Board Meeting Minutes of August 23, 2011.
- C. Approve Consent to Entry of Property to Read and Owner's Agreement to Maintain Meter Agreement for the following:
 - 1). APN 203-220-18, Jose & Leticia Villanueva
 - 2). APN 249-180-09, Albert & Jacqueline Johnson
 - 3). APN 228-160-03, Gary & Dolores Carlson
 - 4). APN 245-340-22, Audrey Hofman
- D. Adopt Resolution 11-11-G, Authorizing General Manager to Execute Revised Application for WaterSMART Grant Program.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO 11-11-G
AUTHORIZING GENERAL MANAGER TO EXECUTE REVISED
APPLICATION FOR WATERSMART GRANT PROGRAM**

WHEREAS, the Department of the Interior, Bureau of Reclamation, Mid-Pacific Region (DOI) administers the WaterSMART: Bay-Delta Agricultural Water Conservation and Efficiency Projects Grants (WaterSMART Grant Program) which provides cost-sharing of up to \$1,000,000 for construction of new water conservation projects; and

WHEREAS, the District is planning to construct a new irrigation delivery system in a portion of its Division 9 that will make available pressurized water to approximately

3,800 acres of farmland in order to provide improved service and save water and energy (“Division 9 Irrigation Enhancement Project”); and

WHEREAS, the District is prepared to fund the estimated cost of the Division 9 Irrigation Enhancement Project which is approximately \$16,633,322, including design, environmental review, land acquisition, permitting and construction; and

WHEREAS, the District intends to start construction of the Division 9 Irrigation Enhancement Project, following the bid process, in June, 2011 and to complete the project by approximately February, 2012; and

WHEREAS, the District intends to file an application to obtain a grant for up to \$1,000,000.00 of the cost of the Division 9 Irrigation Enhancement Project under the DOI’s WaterSMART Grant Program; and

WHEREAS, the District commits to work with DOI to meet established deadlines for the WaterSMART Grant Program and to enter into a mutually-acceptable cooperative agreement; and

WHEREAS, to qualify for funding, the original application for the WaterSMART Grant Program was submitted, as required, by January 31, 2011,

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the District shall file an application to seek up to \$1,000,000 in funding from the DOI’s WaterSMART Grant Program to help pay the cost of the District’s Division 9 Irrigation Enhancement Project.

BE IT FURTHER RESOLVED AND ORDERED that the General Manager, Jeff Shields, was authorized and directed to sign and submit the original application and subsequent revised application and all other documents necessary to qualify the Division 9 Irrigation Enhancement Project for funding under the DOI’s WaterSMART Grant Program on or before the applicable filing deadlines and to work with DOI as necessary to qualify for funding under the Challenge Grant Program.

PASSED AND ADOPTED on this 13th day of September, 2011.

E. Approve budget adjustment of \$1,555.00 to account 20-040-6402-22 for pressure vessel testing in above ground storage tanks.

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

PASSED AND ADOPTED on this 13th day of September, 2011 by the following roll call vote:

Ayes: Kamper Kuil Holbrook Holmes Roos
Noes: None

ACTION CALENDAR

Item #1, Division 9 Update. The Status Report dated August 2011 was handed out to the Board. Todd Kotey, Project Manager, Shawn Labanowski, Co-Project Manager and Jeff Shaw, Field Manager of Stantec reviewed the progress report with the Board. Todd told the Board that the contractor is trying his best to accommodate landowners harvesting. He commented that good progress is being made. Jeff said that concerning compaction issues, modifications have been made to accommodate all soil types. The East Basin is fully excavated and clay from the solar farm site should be delivered later this week. Shields commented that he wanted to express three concerns. First inconsistent information given to the landowners has caused problems in their operations, secondly, after work is complete in an area it needs to be left “the same or better” than before construction. Lastly, the Status Report handed out at the Board meeting was due on Monday. Director Kuil commended Jeff Shaw on his efforts but agreed that communications needs to be emphasized. President Holbrook thanked Shawn, Jeff & Todd for the report and for staying on top of all the issues.

Item #2, Discussion and possible action concerning the Division 9 Connection Fee Policy. The item was brought back to Board per Director Roos’ request. Shawn reviewed the actual costs of adding a turnout. Bologna explained that besides the cost, adding more turnouts would also significantly affect the projects schedule. Director Roos expressed his opinion that it was unfair to penalize the landowners that didn’t sign up by the deadline. Director Holmes suggested that some of the expense of a turnout could possibly be covered in the District’s Water Conservation Program. The Board discussed the possibility of buying and storing extra turnout parts at the current prices. Staff was asked to bring back information concerning that issue. Holmes asked that Shawn bring an example of the globe valves to the next meeting. Holbrook explained that no motion was necessary unless the policy was to be changed. Roos made a motion to amend the Connection Fee Policy to charge double the initial cost of sign up. Kuil seconded the motion. The motion failed 3-2 with Holmes, Holbrook and Kamper voting no.

Item #3, Authorize acceptance of the following new easements for Division 9 Project.

- a. Circle JM Dairy, L.P., APN 247-290-02
- b. Circle JM Dairy, L.P., APN 257-220-12 & 16
- c. Circle JM Dairy, L.P., APN 257-220-20 & 36

Kuil made a motion to authorize acceptance of three new easements for Division 9 Project. Kamper seconded the motion. The motion passed 5-0.

Item #4, Authorize and approve purchase of GE/Zenon ejectors. Hubkey addressed the Board. He explained that when the WTP was commissioned in 2005 a vacuum pump system was the standard used to remove entrained air from the Membrane Integrity Test (MIT). The problem is that the vacuum pumps do not remove the bubbles fast enough and this causes false turbidity spikes. GE has developed a different technology to deal with entrained air bubbles which involves the use of air ejectors. GE has been using this technology for a while and it works. Hubkey explained that the system is available from other companies, but GE would not provide onsite download and commission if we purchase the ejectors from any other source. Kuil made a motion to purchase ejector

systems for 8 trains and authorize GE to do onsite download and commission at a total cost of \$39,383.09. The motion was seconded by Holmes and unanimously approved.

Holbrook asked for Hubkey's Managers Report at this time. Hubkey reported the following:

- Plant staff drained the South Treated Water Reservoir to prepare for its repair. It will be out of service for a month.
- Tracy Booster Station lost power on Sunday for about 30 minutes.
- The microwave tower and receiving dish located at the plant are both up.
- Plant staff is half way done with the quarterly hypo acid cleans.
- Met with HDR Engineering concerning the Highway 99 Transmission Line Realignment Project. This portion of the project is scheduled to begin in early 2013.

President Holbrook thanked Hubkey and called to resume with action item #5.

Item #5, Authorize purchase of new backup server and data storage system. Michael O'Leary presented this item. He explained the District's current method of storage and backup of electronic information. He told the Board that he proposes to change the site of our backup server to a compatible location. This will be done so that if either location was destroyed, the data could be retrieved. Michael presented the bids he received for the equipment and recommended that the Board approve a new Dell PowerEdge T610 server with additional hard drive storage capacity at \$5,685, and a new Dell Power Vault MD1200 storage system with additional hard drive storage capacity at \$6,383. Shields explained that this is a budget item. Kamper made a motion which was seconded by Kuil to approve the purchase as recommended by staff, at a cost not to exceed \$12,068. The motion was unanimously approved.

Item #6, Consider request from the City of Manteca to acquire 40 foot strip of land consisting of approximately 0.18 of an acre from the District. The land is located on South Main Street south of Wetmore Street. The property has no active facilities located on it and has no foreseeable use by the District. Bologna explained that the full market value amounts to \$129,056, based on the appraised value of \$16.00 per square foot, in addition to \$275.00 for administrative costs. All additional costs related to transfer are the responsibility of the City. Bologna's recommendation was as follows:

- a). The District shall adopt a resolution pertaining to the transfer of the aforementioned land at a later date.
- b). Offer to sell property shall be valid until December 31, 2011 at which time the Board may reconsider its decision.
- c). District shall record a quit-claim deed to the City of Manteca upon receipt of the agreed upon amount for the property.

Motion by Kamper, seconded by Holmes to accept staff recommendations and proceed with sale of property, acknowledging that a Resolution will be adopted at a later date. The motion was unanimously approved.

Item #7, Authorize staff to solicit proposals for a Groundwater Management Plan and an Agricultural Water Management Plant. Bologna explained that in an ongoing effort to

comply with SBx7-7, the District still needs to complete a number of tasks involving additional studies and the implementation of various water management plans such as an updated groundwater program and flow measurement program and an agricultural water management plan. Shields said that he would like to coordinate efforts with the County on our Ground Water Management Plan. Bologna recommends that the Board authorize staff to prepare a scope of work and request a proposal to accomplish all studies and tasks necessary to meet the necessary objectives. Holmes made a motion to go with staff recommendation. Motion was seconded by Kuil and unanimously approved.

Item #8, Authorize conditional approval of request by Union Pacific Railroad to encroach upon a portion of District property interest for FCOC from Roth Road to French Camp Road. Union Pacific representatives introduced themselves as Levi Turner, Engineering and Lisa Stark, Public Affairs. Ms. Stark said that UP is eager to get this track started because once complete is will help reduce interference to traffic on Roth Rd. Kamper made a motion to approve per staff recommendation. Holmes seconded the motion which passed unanimously.

Holbrook called for a short recess.

Upon returning Holbrook announced that the meeting would continue at item #9 of the action calendar.

Item #9, Discussion and possible action to initiate the Water Conservation Program (WCP) for 2012 and also consider possible amendment to the program. Bologna told the Board that if all the monies applied for in 2011 are spent there will be \$246,759 left. He asked the Board if it is their intent to add that money to 2012 WCP Budget or not. After a brief discussion, Director Holmes made a motion to initiate the 2012 Water Conservation Program on November 7, 2011 and not to add the 2011 overage to the 2012 budget of \$1,140,000. The motion was seconded by Kuil and unanimously approved.

Item #10, Urban Water Management Plan. Public Hearing. Adopt Resolution #11-12-W. Rick Hanks of Provost & Pritchard presented a slide presentation concerning the Urban Management Plan. After the presentation, General Counsel, Emrick called the public hearing. Emrick handed out two comment letters, one from the City of Tracy and the other from the City of Manteca. Holbrook then asked if there were any comments or concerns from the public. There being none, the public hearing was closed. A motion by Holmes, seconded by Kamper to adopt Resolution 11-12-W, Adopting Urban Water Management Plan was made. The motion passed by the following roll call vote:
Ayes: Kamper, Kuil, Holbrook, Holmes, Roos.

SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 11-12-W
ADOPTING URBAN WATER MANAGEMENT PLAN

WHEREAS, South San Joaquin Irrigation District (“District”) delivers potable water to the cities of Manteca, Lathrop and Tracy and is under contract to deliver potable water to Escalon (“Four Cities”); and

WHEREAS, the District is an Urban Wholesale Water Supplier, as defined in section 10608.12 of the California Water and an Urban Water Supplier, as defined in section 10617 of the California Water Code as it supplies more than 3,000 acre-feet of potable water annually for ultimate resale to municipal customers; and

WHEREAS, the District, as an Urban Water Supplier, is required to prepare an urban water management plan; and

WHEREAS, the District has prepared an Urban Water Management Plan dated August, 2011, which includes the elements required by the provisions of Parts 2.55 and 2.6 of Division 6 of the Water Code, including section 10631, that are applicable to wholesale urban water suppliers (“Plan”); and

WHEREAS, the District published notice in a newspaper of general circulation for two consecutive weeks and notified each of the Four Cities and the County of San Joaquin, of the availability of the Plan and of the time and place for a public hearing to be held on the Plan at the September 13, 2011, meeting of the District’s Board of Directors as required by Water Code section 10642; and

WHEREAS, the District’s Board of Directors has considered whatever public and agency comments have been received on the Plan; and

WHEREAS, the Board finds that the Plan satisfies the requirements of the California Water Code and accurately describes the District’s position as an Urban Water Supplier to the Four Cities; and

WHEREAS, adoption and implementation of the Plan is exempt from the California Environmental Quality Act (Public Resources Code §21000 et seq.) by California Water Code section 10652; and

WHEREAS, the Plan reflects the independent judgment and analysis of the District’s Board of Directors; and

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. Adopts the Urban Water Management Plan dated August, 2011.
3. Instructs staff to provide a copy of the Plan to the Four Cities, the County of San Joaquin, the Department of Water Resources, the State Library and any other persons or entities required by law.
4. Instructs staff to implement the Plan.
5. Instructs staff to make the Plan available for public inspection during regular business hours in accordance with California Water Code section 10645.

PASSED AND ADOPTED on September 13, 2011.

Holbrook asked for Directors Reports:

Holbrook reported that East Bay MUD's annual meeting will be held on October 7.

Holbrook asked for Managers Reports.

Don Battles, Utility Systems Director reported the following:

- The second solar cleaning took place recently
- One of the tracker motors went down but has been replaced
- MCR is doing an engineering study for the storm water basin.
- Will bring the final storm water basin design to the Board for approval when complete.

Roos asked Don about the need for a storm water basin. Don explained that due to water quality issues, we are required to keep any run off from the solar farm out of the canal. The project was budgeted at \$70,000 to build.

Bere Lindley, Finance-Admin Department Manager reported the following:

- The District has had the same auditor for three years.
- RFP's will be going out on October 3 to obtain bids for a new auditor.
- 2012 budget preparations are beginning.

Troylene Saylor, Communications Coordinator reported the following:

- RSVP's due today for the Building Industries meeting to be held on September 19.
- Manteca's Pumpkin Festival will be held on October 1 & 2.
- Ripon's Main Street Day will be held on Saturday, October 15.

Jeff Shields, General Manager reported the following:

- OID has set the end of water season for October 14.
- 5,000 yards of dirt were delivered to the District corporate yard and another 1,000 yards to the Ripon spill. Dirt came from the Division 9 west basin.
- CSDA meeting in Monterey will be held on October 10-13. Two Board members and two staff members will attend.
- Handed out Tri-Dam Daily Report dated September 12 and SSJID's 7 Day Water Usage Report for the week of September 4-10.
- Reported that a letter was sent to the Bureau requesting a copy of their Operation Plan for New Melones.
- BIA Policy Makers Reception will be held on September 19 at Brookside in Stockton.
- SSJID Safety Day will be held on November 1 this year. Flu shots will be available to personnel on that day.
- IRS mileage reimbursement rate has been set at 55.5 cents per mile.
- US District Judge Oliver Wanger will retire on September 30 of this year.
- Attended Holmestead Dairy & Eureka Seeds "Silage Corn Field Day" at Bob Holmes Dairy on August 30th.

Director Holbrook called for a short break before Closed Session.

General Counsel announced the Board would be discussing Items 7 a. b. & d. under Closed Session.

- 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 and,
Various water quality proceedings before State Water Resources Control Board—
Delta Flow Criteria, San Joaquin River Flow Objectives

- d. CONFERENCE WITH LEGAL COUNSEL
Existing Litigation California government Code Section 54956.9(a)
Denise Salazar v. SSJID, et al., Superior Court – San Joaquin County, case no.
39-2011-00267959.

Upon returning from Closed Session, it was communicated that the following action was taken. A vote was taken and passed 5-0 on Item 12 d to retain counsel if necessary to defend against Salazar action.

There being no further business to come before the Board it was moved by Director Kamper, seconded by Director Holmes to adjourn to the next regularly scheduled meeting to be held Tuesday, September 27, 2011. Motion carried unanimously.

ATTEST: _____
Cheryl Burke, Executive Secretary