

Manteca, California  
September 14, 2004

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

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

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. Director DeGroot asked that Item H "Approve replacement of break room cabinets/counter" be tabled until the next meeting.

- A.     SSJID's Warrants of \$7,229,394.92 and Payrolls of \$160,086.46.
- B.     Regular Board Meeting Minutes of August 24, 2004 and Special Board Meeting Minutes of September 7, 2004.
- C.     Accept improvements for the District work order # 1320 and authorize staff to record a Notice of Completion for Ray's Radio Shop, Inc.
- D.     Approve the following Irrigation Service Abandonment Agreements:  
          #1432, APN 205-070-57 - Jimmy Barbosa and  
          #1433, APN 208-150-20 - Fred Kennedy.
- E.     Adopt Resolution No. 04-9-Q, Authorizing the Disposal of Property No Longer Necessary for District purposes.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT  
RESOLUTION 04-09-Q  
AUTHORIZING THE DISPOSITION OF PROPERTY NO LONGER  
NECESSARY FOR DISTRICT PURPOSES**

**WHEREAS**, the District may dispose of equipment it finds no longer necessary for District purposes; and

**WHEREAS**, determination has been made that the following equipment is no longer needed for District purposes; and

**WHEREAS**, staff has removed from operations and replaced the JetFax M910 fax machine (SSJID inventory tag 1032 - serial number 810A0043894); and

**WHEREAS**, staff will remove the existing cabinets and laminate counter tops from the front office break room; and

**WHEREAS**, staff has determined the cabinets and laminate have no value and the fax machine has a value of up to \$65.00.

**THEREFORE, BE IT RESOLVED** that the District finds the equipment surplus and authorizes staff to properly dispose of the equipment.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of September, 2004.

- F.     Approve River Road Encroachment Agreement with San Joaquin County.

- G. Authorize execution of Agreement for Landscape Ground Maintenance Services with C&W Landscape Maintenance, Escalon.
- H. Moved to action calendar on September 28, 2004 per request of Director DeGroot.
- I. Approve replacement of the Shop's air compressor.
- J. Approve purchase of rubber gasket reinforced concrete pipe for winter maintenance projects.
- K. Approve amendment to the District's Conflict of Interest Code.
- L. Authorize the General Manager to execute Agreement with Rural Special District's Custom Insurance Program to renew our Liability and Property Damage Insurance.

Dave Ward, of InterWest Insurance Services, Inc., addressed the Board. He told them that the rates this year are unchanged from last year. He said the District's premium may be more if we increase our property coverage. The District could see a 10% reduction in premiums if the deductible was increased from \$25,000 to \$50,000.

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

PASSED AND ADOPTED this 14th day of September 2004 by the following roll call vote:

Ayes:	DeGroot	Kamper	Schulz	Roos	Kuil
Noes:	None				

Continued discussion on report from Utility Systems Director, Jeff Shields, on District's options and possible action concerning the District's goals of extending Tri-Dam benefits. Shields recapped the information he present at the August 24, 2004 Board Meeting. Shields made the following recommendations:

1. Set aside action taken on June 10, 2003 directing staff to develop the retail electric system.
2. Direct staff to proceed with due diligence on the eminent domain option and to continue to work with PG&E to determine if they have an alternative that accomplishes the District's goals.
3. Direct staff to identify the preliminary steps for filing an eminent domain action to acquire the electric system in the District and to perform such feasibility studies and prepare such plans as may be necessary to complete those tasks.
4. Authorize the General Manager and Utility Systems Director to retain such outside expertise and to enter into such agreements as may be necessary to accomplish the foregoing tasks.
5. Authorize the expenditure of up to \$650,000 towards the cost of performing the foregoing actions.

Ken Cooper of PG&E addressed the Board. Cooper warned the Board that the \$52 million "fair price" for the PG&E facilities was extremely low. He said TID's price was \$20 million in Patterson with 6,000 customers. He said SSJID has more than 32,000 customers. Shields noted the price is also determined by the age of existing facilities, that we used the \$52 million price as what we termed "a conservative estimate of the value of PG&E's facilities" should a judge have to decide the value in eminent domain proceedings. He noted a more precise value will be determined by a certified Electrical System Appraiser. Cooper said SSJID has already spent in excess of \$2.1 million and that doesn't include pending litigation against SSJID by Chevron Texaco. Cooper said

this should be a business decision based on numbers and that the Board would be concerned about someone who lives in a three bedroom apartment not just agricultural customers. Shields said the model is based on a 15% across the board savings for all users. Additionally, Shields noted it is not just about saving money but controlling service levels and determining rate structures locally, not in San Francisco. After a lengthy discussion it was moved by DeGroot, seconded by Kamper, and unanimously carried, to accept and approve the five recommendations listed above.

President Schulz called for closed session relative to litigation matters. General Counsel Emrick reported that the Board will discuss Item c. in Closed Session. Emrick announced that Edward W. O'Neill of Davis Wright Tremaine LLP and Herman H. Fitzgerald, of the Law Office of Herman H. Fitzgerald will be present in Closed Session.

Upon returning from closed session Emrick announced no reportable action was taken in Closed Session.

President Schulz asked the Board to consider retaining Davis Wright Tremaine LLP, and Law Office of Herman H. Fitzgerald. Motion by DeGroot, seconded by Kuil, and unanimously carried to authorize Stroud and Emrick to negotiate an agreement with the two law firms above.

Consider termination of Irrigation Service Abandonment Agreements for properties owned by Cynthia R. Alfieri, #'s 349 and 926 on APN 245-060-20 and APN 245-060-06 respectively. Motion by Kuil, seconded by Roos, and unanimously carried, to approve the Termination of Agreement's #349 and #926.

Consider request by Denny and Donna Jones for the District to consider granting access easements across property owned by the District to provide access to a newly created parcel belonging to Curt Maddex. Bologna said he recommends the approval with the following findings:

- a) Subject to terms and conditions outlined in the Structure Permit stating the conveyance of the Access Easement will not hinder District operations.
- b) The retained fee interest is adequate for all reasonable District purposes.
- c) The payment of \$3,432.00, execution of a Revocable License, Hold Harmless & Indemnity Agreement, and payment of administrative cost is valuable and adequate consideration for the conveyance of an Irrevocable Easement
- d) It is in the best interest for the District to convey said easements as requested.
- e) The easement to be conveyed is not "surplus land" within the Government Code Section 54221 (b).
- f) The proposed conveyance is categorically exempt under the Environmental Quality Act as a Class 12 project pursuant to 14 Cal Adm. Code Sections 15112 since the surplus government property does not have significant values for wildlife habitat or environmental purposes and the property is of such size and shape that it is incapable of independent development or use.

Motion by Kamper, seconded by DeGroot, to approve as recommended above. Motion Carried, 4 Ayes, 1 No with Director Schulz voting No.

Consider approval of Development Plans for the extension of Vasconcellos Avenue in conjunction with the expansion of the Manteca Trailer Sales Development affecting a portion of Lateral "T". Bologna recommends approval and execution of the following:

- 1) Developers Agreement
- 2) Encroachment Agreement
- 3) Grant of Easement
- 4) Quit Claim Deed,

Subject to compliance with those special conditions and requirements referenced in Item # 12 of the Developers Agreement. Motion by Roos, seconded by Kuil, and unanimously approved, to and authorize signatures as required, subject to compliance with those special conditions and requirements as stated in the above Agreements.

Authorize approval of a Utility Agreement and plans for the replacement of the Lateral "T" crossing at East Yosemite Avenue to be constructed in conjunction with the Highway

99 Yosemite Avenue Road Projects by Cal Trans and the City of Manteca. Bologna said the work will be done in the Fall of 2005 and be complete by February 15, 2006. In accordance with the Agreements the cost of all work will be borne by others. Bologna recommends that the Board authorize signature of plans and agreements with Cal Trans and the City of Manteca in order to proceed with the project. Signature of agreements will be subject to approval by General Counsel Emrick. Mr. Emrick recently reviewed the draft and has sent it back with minor revisions. Motion by Roos, seconded by Kamper, and unanimously carried, to authorized execution of all Agreements subject to General Counsel's approval.

Consider approval of Development Plans for the D'Boni Pizza Project affecting a portion of the Campbell Drain in Escalon. Bologna said the Developer will replace 316 feet of 36" cast-in-pipe pipe with 36" RGRCP. Per District policy, the Developer will not be eligible to receive a reimbursement for the pipeline that will be installed in conjunction with the project because the pipe is a drainage pipe. Thus, unless the field investigation reveals that additional pipe needs to be replaced beyond the Project, there will be no contribution by the District. Bologna recommends approval and execution of the following documents:

- 1) Interim Plans for pipeline replacement
- 2) Developers Agreement
- 3) Encroachment Agreement
- 4) Grant of Easement
- 5) Interim Drainage Agreement

Motion by Kamper, seconded by DeGroot, to approve and authorize execution of the agreements subject to compliance with those agreements. Motion Carried, 4 Ayes, 1 Abstain, with Director Schulz abstaining.

Consider acceptance of final draft for Woodward Reservoir Aerial Contour Mapping performed by Thompson Hysell Engineers. Bologna said we received all the contour maps with a one-foot contour map including elevations and special features delineated on the map. He said in comparing the old capacity data with the new data, we found the capacity in acre feet at water surface elevation 210 on the old maps was 35,945 acre feet, the new maps show a capacity of 32,764 acre feet. A new capacity rating table was developed as part of the work. The final cost did not exceed the approved amount of \$93,900. Bologna recommends accepting the finished product. Motion by DeGroot, seconded by Kuil, and unanimously carried, to authorize acceptance of the final product from Thompson Hysell Engineers as submitted.

Authorize the General Manager to sign contract with Condor to perform Phase I work on District Joint Main Canal and Tunnels. District Engineer said the last study of the canal was done by Woodward Clyde in 1995/1996. He said we need a new analysis, plus some work on the Main Supply Canal. Cost of Phase I is \$29,365. Phase II is more detailed evaluation of alternatives is \$20,000 to \$40,000. Phase I was budgeted at \$25,000 for SSJID's share. OID's share of the work and saving on other 2004 capital projects will cover the balance. Gilton recommends authorizing the General Manager to execute a contract with Condor to perform the work on Phase I at \$29,365. Upon completion of Condor's work, staff will bring a recommendation to either terminate the project or proceed with Phase II. It was the consensus of the Board to proceed with Phase I as recommended. No action was taken.

Discussion and possible action relative to setting a date to end of 2004 Water Season. Stroud recommended we end the Season on October 14, 2004 at 6:00 p.m. He said that based on the last six years we will probably use around 13,000 acre feet in October, along with the Water Treatment Plant testing, which will use approximately 4,000 acre feet, the amount of water available at the start of the 2005 season should be approximately 15,000 acre feet. Motion by Roos, seconded by Kamper, and unanimously carried, to end the season on October 14, 2004 as recommended. However, to put this item back on the agenda at the September 28, 2004 Board meeting to discuss the water management strategy for the last days of the season.

Discussion and possible action on Capital Improvement Budget. Stroud said the Capital Budget for 2005 as presented is \$4,798,802. Of this \$1,616,002 is for projects budgeted in prior years, but not complete. \$3,182,600 is for new 2005 projects. Schulz asked that the \$600,000 for the SIDE Project land acquisition be tabled until a feasibility review is performed and presented to the Board for review. Additionally, Roos said the work on Lateral "V" from Jack Tone to Highland Ave. is not needed and should be reviewed by staff and returned to the Board. No action was taken.

Director DeGroot left the meeting at 3:00 p.m.

Schulz called for the General Manager's reports:

Stroud reported the following:

That the system that backs up our computers is broken beyond repair, authorization to buy a replacement will be on the agenda September 28th. Estimated cost is about \$8,000.

SB X4 11 would reduce roadblocks to self insured pools for worker's compensation. This should benefit us if it passes.

September 28th Roos and Schulz, along with Shields have a meeting with an officer from PG&E to discuss PG&E proposed alternatives to the District entering the retail electric business.

On October 7, 2004 will be on vacation, returning on October 12, 2004.

Maintenance: Lateral "Ufd" off Mohler Road has an 80" crack. Will be replacing that section of line next week. Drain 11 has 350 feet of pipe that needs to be removed and replaced. It is in marginal condition and will not survive removal of the orchard.

Air Quality Problems. As a result of an unannounced audit of our facilities we were informed that our large trailer mounted air compressor must be replaced. To use it we need a permit, and they will not issue one. Cost to replace is about \$14,000. Ray Simons is looking at rental cost and availability as a possible alternative to purchase.. Also, we will have to put a meter on the Diesel Back Up Generator to meet new Air District demands.

Reported that environmental compliance has become a major problem. We have three people spending considerable time on this. Gilton on drinking water. Atherstone on chemicals and pesticides and the Ag Water requirements. Simons on compressors and generators. Staff may soon recommend a new position to efficiently handle this along with safety.

Relative to VAMP, Merced ID and Modesto ID are interested in water rather than money. We have not talked to TID.

MID will supply power to the Water Treatment Plant for \$125,000. This will result in annual savings over PG&E of around \$400,000. Shields is working on an agreement with MID.

Relative to the Ag Waiver, the San Joaquin Coalition met with Regional Board staff to get clarification of the additional work needed on the last submittal. San Joaquin . Tributary agencies have a meeting scheduled on September 24, 2004 to see what we have to do.

Directors' reports:

Kamper asked Assistant General Manager Stein if he had heard from Van Groningen relative to a box flooding his alfalfa. The box is located on Carrolton Road. Stein said he had not.

Kuil said the Education Committee Meeting was worthwhile. He said Division Managers Jerry Donahue, Darin Thomasen, Mark Chase, Ron Morrow, John Stein, and Steve Stroud attended. There were three major items discussed, and all parties participated.

President Schulz called for Closed Session relative to litigation matters, personnel matters, and labor update as follows: General Counsel Emrick announced the Board will discuss items a, b, and d in Closed Session.

- a) Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9. One case. ChevronTexaco v. SSJID.
- b) Conference with real property negotiator, Gov. Code, S. 54956.8. Property-portion of APN 208-070-23, Agency negotiator Grant Kreinberg, Steve Long, and Steve Emrick. Negotiating parties-Marion E. Mitchell, Trustee & SSJID. Under negotiation - price.
- d) Public Employment - Gov. Code, S. 54957. Treatment Plant Manager/Supervisor appointment.

Upon returning from closed session General Counsel Emrick announced there was no reportable action taken in closed session.

Motion by Roos, seconded by DeGroot, and unanimously carried to adjourn to September 28, 2004 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary