

Manteca, California
September 14, 2010

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: HOLBROOK KAMPER ROOS KUIL SCHULZ

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

President Kamper called the meeting to order and asked for public comment. Becky Meredith, board president of the Manteca Little League, introduced herself to the Board. She along with Dan Eavenson thanked the Board for the support the District has given the Manteca Little League.

Director Schulz took the opportunity to introduce Bob Holmes who will be taking his place on the Board in December.

There being no further public comment President Kamper asked the Board to consider the Consent Calendar Items.

CONSENT CALENDAR

- A. Warrants of \$1,008,665.17 and Payroll of \$334,716.01
- B. Regular Board Meeting Minutes of August 24, 2010.
- C. Approve Irrigation Service Abandonment #1596, by and between SSJID and Joe & Dorothy Reichmich, for APN 208-170-08, 1.00 acre.
- D. Approve a one year contract with Johnson Controls.

Motion to accept the Consent Calendar as presented was made by Holbrook and seconded by Schulz.

Motion passed and adopted this 14th day of September, 2010 by the following roll call vote:

Ayes: Holbrook Kamper Roos Kuil Schulz
Noes: None

Item #1, Presentation by Frank Peterson of 3D Datacom. Mr. Peterson gave a power point presentation updating the Board on the perimeter security system at the Robert O. Schulz Solar Farm. The system is now fully operational. Frank told the Board it was a real pleasure working with District employees, Frank Avila, Lloyd Wayman, Lee Rice and Chris Whittenburg.

Item #2, Accept and file Notice of Completion for Tesoro Development and consider authorizing a contribution in compliance with the District's pipeline reimbursement policy. Sam Bologna told the Board that portions of Lateral "Y" and Lateral "Z" were replaced within the project area. This work has been inspected and tested to our satisfaction. Also a District well was relocated and the pump (known as the Van Ryn pump) was replaced as part of the project. Bologna explained that the estimated amount of reimbursement based on \$24.00 x 3,500 feet of 42" pipe comes to \$84,000.00. Due to the fact that the original developer went bankrupt, Director Kuil asked if the contractor had been paid for the work done on our system. Bologna said he did not know but would find out. Director Kuil made a motion to pay Standard Pacific Woodside Homes the \$84,000.00 reimbursement amount contingent on the assurance that the contractor had been paid for his work. Roos seconded the motion. The motion passed unanimously.

Item #3, Division 9 Project update. Sam Bologna told the Board that the plans for the project are 85% complete. He said that the design team has decided that it will be best to bid the project out as one contract rather than to divide it up into multiple contracts. The reasoning behind that decision is that the contractor will have greater flexibility to negotiate the best prices for each facet of the project and thus result in cost savings to the District. The response from the landowners within the project area has been overwhelmingly positive. Bologna told the Board that we have collected money for over 75 valves which will service 84 parcels. He told the Board that to stay on schedule we need to set a firm deadline for landowners to be a part of this project at the reduced rate of \$2,500 per valve. Mike Persak of Stantec and Ron Nydam of Waterford Irrigation District answered several questions from the Board. Director Holbrook asked what the cutoff date should be. After a brief discussion the Board concurred that they will set September 30th as the deadline and that the cost of a valve after that date will be billed "at cost", which will be at least double the \$2,500 currently being charged. Bologna also asked the Board for authorization to negotiate several easements within the project area. Director Holbrook made a motion to set September 30th as the cutoff date as indicated above and to give staff authorization to negotiate easements within the project area. Kuil seconded the motion. The Motion passed unanimously.

Item #4, Accept Grant of Easement from Brocchini Farms. Bologna explained to the Board that the easement from Brocchini is needed for electrical service to the Division 9 pressurized pipeline project. He said that MID is requiring the exclusive utilities easement. After acquiring the easement, we will assign it to MID. Director Kuil made a motion to authorize the General Manager to accept the Grant of Easement from Brocchini Farms and assign it to Modesto Irrigation District. Motion was seconded by Schulz and unanimously approved.

Item #5, Bill Hubkey, WTP Manager told the Board that every 4 years, California Department of Public Health (CDPH) requires an updated Sanitary Survey on the Stanislaus River Watershed. Last year Plant staff began working with SEWD to partner up and cost share the expenses of the study. Hubkey asked the Board to approve the Cost Sharing Agreement for the Sanitary Survey and to authorize the General Manager and

Board President to sign the same. Director Holbrook asked several questions about the agreement and asked that they be answered or the agreement modified. General Counsel, Emrick said he would look into the matter. Holbrook made a motion to approve entering into a cost sharing agreement for a Sanitary Survey, Kuil seconded the motion. The motion passed 4 to 1, with Roos voting no.

President Kamper asked for Bill Hubkey's Manager's Report.

Hubkey reported the following:

- The asphalt resealing project has been completed.
- Cal-OSHA completed a voluntary inspection of the Plant. No violations were found. The inspector may recommend the Plant for a "Golden Gate Safety Certificate Award."
- The re-caulking project on Lagoon #3 is scheduled to start today.
- Plant staff are halfway through the scheduled quarterly acid cleans.

Item #6, Approve Resolution 10-10-E, to authorize filing supplement to LAFCo Application. General Counsel Emrick announced that Item #6 would be addressed after Closed Session.

Board President asked for Directors Reports:

Director Kuil asked if there was anything in the Water Banking issue that the District should be looking at. Roos asked about the issue of recharge basins. GM Shields told the Board that recharge basins are not considered "beneficial use". President Kamper said that he would like staff to look at Groundwater Banking and Recharge Basin issues and report back to the Board.

Don Battles, Utility Systems Director's Report: Battles showed the Board an example of a failed bushing from a solar array. He reported that Conergy has installed test bushings in 9 of the solar arrays to see if they will work. If successful the old bushings will be replaced with the new ones around the end of the year.

General Manager Report:

- Handed out a copy of the letter sent to Stanislaus County concerning a Memorandum of Understanding – Zebra and Quagga Mussel Prevention Program. He told the Board that the County has agreed to place security gates at three locations, with launch ramps to be closed until staffing is present. The only exception is for duck hunters during the waterfowl season.
- Reported on the article in the Manteca Bulletin entitled "Tulloch Reservoir being lowered for crucial river flow fish study".
- Handed out a Sheriff's Report showing a bullet hole that penetrated the PLC controller at Drop 4.
- Reported that he attended a meeting set up by Bob Brocchini concerning an article in the newspaper which quoted Tom Berryhill as being against SSJID's bid to enter the retail electric business.

- Reported that we have been informed that the Common Sense Coalition, which is funded by PG&E is misrepresenting themselves while canvassing neighborhoods asking for signatures of support.

Board President called for a 10 minute break before adjourning to Closed Session. General Counsel announced the Board would be addressing the following items in closed session:

- CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9 – 2 cases.
- CONCERNENCE WITH LEGAL COUNSEL – Existing litigation Subdivision (a) of Government Code Section 54956.9
 - PG&E General Rate Case 2011 – CPUC A.09-12-020

Upon returning from closed session, it was announced that the following action was taken. Motion was made by Holbrook, seconded by Kuil and unanimously approved to authorize the General Manager to negotiate a settlement with PG&E on behalf of the District in the General Rate Case Phase 1.

Item 6#, Approve the Resolution # 10-10-E to authorize filing supplement to LAFCo Application. Motion by Holbrook, seconded by Kamper to Approve Resolution 10-10-E.

RESOLUTION #10-10-E

RESOLUTION OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT TO FILE SUPPLEMENT TO APPLICATION TO LOCAL AGENCY FORMATION COMMISSION TO PROVIDE RETAIL ELECTRIC SERVICE

WHEREAS, South San Joaquin Irrigation District (“District”) is authorized by Water Code section 22115 to provide for the acquisition, transmission and distribution of electric power, and

WHEREAS, the District filed an application with San Joaquin Local Agency Formation Commission (“LAFCO”) on September 3, 2009, to provide retail electric service, and

WHEREAS, the District has prepared a supplement to its application to LAFCo to address issues raised by a report prepared for LAFCO by PA Consulting Group, and

WHEREAS, the Board affirms its commitment to provide retail electric service at a discount to PG&E’s rates and to use its cash reserves to reduce acquisition financing and its annual Tri-Dam revenue as necessary to maintain discounted rates,

NOW THEREFORE, BE IT RESOLVED that:

1. The District’s General Manager is authorized to file a supplement to its

Application previously filed with LAFCO, and

2. Its General Manager is further authorized to provide such additional information as may be reasonably requested by LAFCO and to pay the appropriate administrative fees to file and process the supplement.

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.

PASSED AND ADOPTED this 14th day of September 2010 by the following roll call vote:

Ayes: Holbrook Kuil Kamper Schulz Roos

Noes: None

There being no further business to come before the Board it was moved by Director Holbrook, seconded by Director Roos and unanimously carried to adjourn to September 28, 2010 at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary