

Manteca, California
September 23, 2003

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: KAMPER SCHULZ ROOS KUIL

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton, 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.

- A. SSJID Warrants of \$1,584,146.32.
- B. Regular Board meeting minutes of September 9, 2003.
- C. Adopt a Resolution for Conveyance of property to L.G. Etherington, Jr.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 03-17-P**

**RESOLUTION AUTHORIZING THE CONVEYANCE BY QUITCLAIM
OF PROPERTY OWNED BY THE DISTRICT**

WHEREAS, the SOUTH SAN JOAQUIN IRRIGATION DISTRICT, hereinafter referred to as **■District**, is the title holder of property acquired by virtue of deed recorded in Book **■A** of deeds, Volume 121, Page 425 of San Joaquin County Records on April 25, 1902, and Book **■A** of deeds Volume 126, Page 133 recorded November 3, 1902 of San Joaquin County Records, hereinafter referred to as **■Subject Property**, and further described as being in San Joaquin County which is located in: a portion of Section 3, Township 2 South, Range 8 East, Mount Diablo Base and Meridian, and

WHEREAS, the Subject Property lies adjacent to property described in document recorded as 2003-061211 (APN 245-070-06) belonging to L.G. Etherington, Jr. Investment, L.P., a California limited partnership, hereinafter referred to as **■Buyer**, and

WHEREAS, Buyer wishes to purchase Subject Property from District pursuant to the terms approved by the District's Board of Directors at their July 22, 2003 Board meeting and subject to the terms and conditions of the signed Purchase Agreement dated September 16, 2003, and

WHEREAS, the Subject Property's narrow configuration which makes it marketable and usable only to the adjacent property and its remote location in an agricultural area far removed from any utilities or municipal services, makes notice under Government Code **•54222** serve no useful purpose, and

WHEREAS, it is in the best interest of the District that the Subject Property be quitclaim deeded to the Buyer for valuable consideration, and

WHEREAS the relinquishment of Subject Property will release the District of any liability associated with its ownership of Subject Property, and:

WHEREAS, it is in the best interest of the South San Joaquin Irrigation District that the Subject Property be quitclaim deeded to said adjacent owners of said property in consideration for the compensation as outlined in the purchase agreement as follows:

- 1. Purchase price of \$15,000 per acre
- 2. Property to be conveyed by Quitclaim Deed

3. Buyer shall be responsible for all costs related to transfer, including but not limited to, closing costs, title fees, brokerage fees, survey costs, recording fees and administration costs.
4. Sale of property shall be contingent upon compliance with any Government Code requirements that are applicable to the proposed sale.
5. Buyer shall assume all liabilities for property associated with acquisition.
6. Buyer shall enter into a purchase agreement, which reflects the above stated conditions of sale.

WHEREAS, the District's Board of Directors finds as follows:

1. The foregoing findings are true
2. The District's interest in the Subject Property proposed to be quitclaim deeded is no longer necessary for District purposes, and
3. The proposed disposition of the District's Easement in the Subject Property is categorically exempt under California Environmental Quality Act as Class 12 Project pursuant to 14 CA Adm. Code of Regulations 15112 since the surplus government property does not have significant value for wildlife habitat or other environmental purposes and the property is of such size and shape that it is incapable of independent development or use.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South San Joaquin Irrigation District hereby authorize the President and Secretary to, execute on behalf of the District a quitclaim deed to Buyer disposing of the District's interest in the Subject Property.

PASSED AND ADOPTED this 23rd day of September, 2003.

D. Approve Change Order with Oldcastle Precast, Inc. Total net change is \$110,262.83.

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

PASSED AND ADOPTED this 23rd day of September 2003 by the following roll call vote:

Ayes:	Kamper	Schulz	Roos	Kuil
Noes:	None			
Absent:	DeGroot			

Consider approval of Lateral "Re" abandonment near Main Street and Louise Avenue, Manteca. Bologna said the City of Manteca is willing to takeover that section of the line if we abandon it, and there would be no negative effects to the District. Motion by Roos, seconded by Kuil, and unanimously carried to authorize the General Manager to sign the Improvement Plans, and an Agreement with the City, as prepared by the District's General Counsel.

Consider approving a Sole Source Contract with Beck's Enterprises to repair the "East Portal" of the Joint Supply Long Tunnel and authorize the necessary signatures. Gilton said the cost will be somewhere between \$60,000 and \$90,000 based on a time and materials basis. He said the reason for the \$30,000 variance is that until they start the work they are unable to tell how wide a cavity there is. Stroud said since OID pays 28% of the cost, their General Manager Steve Knell was contacted and he agreed the work should be done and is okay with the estimated cost. Motion by Kamper, seconded by Kuil, and unanimously carried, to approve the contract with Beck's Enterprises and authorize signatures on all necessary documents.

Consider approving a three year contract with Aramark, to provide employees with cotton uniforms instead of the current polyester. Stroud said the additional annual cost is approximately \$2,242. The new annual cost is approximately \$14,265. However, we will get a three year price guarantee, and the following costs are waived: replacement

preparation cost; set up charge; and repair/replacement cost. Motion by Kuil, seconded by Roos, and unanimously carried, to approve the new three year contract with Aramark, and authorize the General Manager to execute the necessary documents.

Consider approving and authorizing the General Manager to execute a revised contract with Nextel. Stroud said the new contract will result in annual savings of approximately \$4,800, or about 15% of the \$32,205 we paid for cell phone service over the last twelve months. This savings is in addition to the \$10,855.28 we initially saved by switching to Nextel from AT&T. He recommends approval as requested. Motion by Kamper, seconded by Roos, and unanimously carried, to approve the new agreement with Nextel and authorize the General Manger to execute same.

Consider approval of the District's property damage and liability insurance. Dave Ward the District's broker, addressed the Board. He noted since 1998, when he wrote his first policy for the District, the cost per year has ranged from a high of \$107,000, to a low of \$88,000 which was in part due to the reduction of total liability coverage from \$20,000,000 to \$11,000,000. He said the increase to \$139,634 is due primarily to the market conditions and the low rate of return, insurance companies are earning on their investments. The coverage is the same as last year's coverage with Kemper, which was a three year contract. The new carrier, American Alternative Insurance Company, is rated by A.M. Best as A+. Mr. Ward said he contacted several insurance companies but this is the only one willing to quote with the terms the District has had in the past. He said if you increase the deductible from \$5,000 to \$10,000 the premium would be reduced by approximately \$9,000. He said the last three years we had three claims over \$5,000 for a total of \$15,000. If we had gone with a \$10,000 and saved \$9,000 we would have saved \$12,000 over the three years. After discussion the following action was taken. Motion by Kamper, seconded by Schulz, to approve the policy as submitted by American Alternative Insurance Company, at a premium of \$139,634, and to stay with the \$5,000 deductible. Motion carried with 3 Ayes, 1 Absent, and 1 No, with Director DeGroot absent and Director Roos voting no.

Consider approving contract with Larry McBride to serve as the Treatment Plant Project Ombudsman. Stroud said the Operating Committee recommends signing a proposed contract with Mr. McBride. Cost would be a minimum of \$1,200 per month plus mileage and reasonable expenses. The rate for time exceeding 40 hours per month would be \$30.00 per hour. After discussion the following action was taken: Motion by Kamper, seconded by Kuil, to approve the agreement with Mr. McBride to serve as the project Ombudsman and authorize the General Manager to execute the agreement. Motion Carried, Ayes 3, Absent 1, Noes 1, with Director DeGroot absent and Director Schulz voting no.

Select a voting delegate for ACWA Region 4 election. After discussion the following action was taken: Motion by Kuil, seconded by Roos, and unanimously carried, to elect Director Schulz as the District's delegate for the Region 4 election.

Consider approval of ACWA proposed draft guidelines for Public Agencies and elected officials who direct them. Stroud recommended some minor changes to the draft. He said he would submit those changes to ACWA if the Board concurred. It was the consensus of the Board for Stroud to submit the changes to ACWA. No action was taken.

Consider approval of Consulting Agreement with Jack Stermer. Stroud told the Board that Mr. Stermer began working for us over two years ago as a consultant. He subsequently was hired by Chevron Energy Services and participated as part of their team. Since August, he is no longer employed by Chevron. He introduced Jack to the Board. Jack told the Board about his past, and said he supported the entrance of the District into retail power. Director Kuil asked if \$95 per hour, approximately \$9,500 per month contract was a guaranteed minimum. Mr. Stermer said if he works less than 100 hours he will bill only for the hours worked. Additionally, he will not bill for travel time to and from the District offices. Mr. Stermer said his primary duties will be to assist the General Manager, as requested. Stroud recommended approved the agreement with Mr. Stermer and authorizing him to execute same. After discussion the following action was

taken. Motion by Roos, seconded by Kuil, to approve the agreement with Jack Stermer and authorize the General Manager to execute same. Motion Carried: Ayes 3, Absent 1, and Noes 1, with Director DeGroot absent and Director Schulz voting No.

Consider approving Environmental Review Contract with Russell Associates. Stroud told the Board they can't make a decision to move forward until the Environmental Review is complete. He said San Joaquin County is the lead agency for the CEQA review. The County is not bound to use the material provided, but suggested that a competent and thorough assessment would go a long way in satisfying the County's obligation under the law. Stroud recommended the Board authorize the General Manager to execute a contract with Russell Associates, subject to specified changes, updated schedule and a few other issues that must be clarified. Additionally, the contract will be on a time and materials basis, not to exceed \$90,085. After discussion the following action was taken. Motion by Kamper, seconded by Roos, to authorize the General Manager to execute a contract with Russell Associates, not to exceed \$90,085, subject to specified changes noted above and further subject to final approval by the District General Counsel. Motion Carried, Ayes 3, Absent 1, Noes 1, with Director DeGroot absent and Director Roos voting no.

General Manager's report:

Stroud reported the following:

The Management Unit will be asking to meet and confer on their contract which expires on December 31, 2003. Additionally, reported that OID is recruiting for two positions, basically that of Water Superintendent and Construction Superintendent. They are offering \$90,000 per year for those positions. He gave the Board a copy of the job opening announcement.

Reported vandalism on the "Bd" line last week.

Reported that the Water Truck and the Boom Truck were both delivered on September 19th.

Reported that the new State Budget will effect the District on Woodward Reservoir fees. He said the current fee is \$1,640, which the state says covers only 70% of their cost (2,342.86). However, they increased the fee to \$6,560 or a 300 % increase.

The water level at Woodward Reservoir is around 205 feet elevation. Last Friday, September 19, we were diverting 202 acre feet, on Monday the 22nd, we were diverting 320 acre feet.

U.S. Fish and Wildlife Services is looking at putting the Giant Garter Snake on the endangered list. They are telling us we should stop trenching for a period of time because the snakes may be going under the road where our contractors are trenching.

Reported that one human bone and one fragment were found in the 120/I-5 area and may delay or cause some changes in that area.

Kris Kristensen of Shannon & Associates met with us in regards to hiring a Water Treatment Plant Manager. Mr. Kristensen said the salary could range from \$90,000 to \$100,000, possibly more if the District's benefits are not comparable to other agencies. He said on October 14th, the Board will be asked to approve the Job Description and salary.

Reported that Central Water District has not returned our calls relative to their purchasing additional water this year.

Retail power. We have received the Draft Interconnection Agreement with Modesto Irrigation District.

Tri-Dam. Two Oakdale Irrigation District Directors have indicated they want independent counsel at Tri-Dam.

Reported the following meetings:

9/24 Ground Water Banking

9/30 Hearing in Sacramento to hear a proposal to coordinate State and Federal Water Projects.

10/16 Last day of water deliveries for 2003.

10/20 District's annual safety meeting.

President Schulz called for closed session relative to litigation, personnel matters, and labor update. District Counsel Emrick announced the Board will be discussing items a)4; b); and d) in closed session.

a) Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9.

4. SSJID v. Donald A. Machado

b) Conference with legal counsel, anticipated litigation. Gov. Code, S. 54956.9.

1 case.

d) Public Employment. Title: Utility Systems Development Coordinator. Gov. Code, S. 54957.

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

There being no further business to come before the Board it was moved by Schulz, seconded by Roos, and unanimously carried to adjourn to October 14, 2003 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary