

Manteca, California
September 25, 2007

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 SCHULZ ROOS
 ABSENT: HOLBROOK

Also present were Secretary/Manager Stroud, District Counsel Emrick, Water Treatment System Manager Hubkey, Engineering Department Supervisor Bologna, District Engineer Gilton, and Utility System Director Shields.

President Kuil 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.

CONSENT CALENDAR

- A. Approve SSJID Warrants of \$238,166.77
- B. Approve SSJID Board Meeting Minutes of September 25, 2007.
- C. Approve Award bid for the replacement of a portion of Lateral "Re" located within the Christian Worship Center property to DSS Company. Total cost of bid is \$132,807.59, plus contingency of 5% of \$6,640.38.
- D. Approve Amendment to Employment Contract of Jeff Shields.

Motion by Director Schulz, seconded by Director Kamper, to approve the Consent Calendar items as presented.

PASSED AND ADOPTED this 25th day of September 2007 by the following roll call vote:

Ayes: Kamper Kuil Schulz Roos
Absent: Holbrook

Presentation by Dave Ward, InterWest Insurance Services, for renewal of the District's property & liability insurance. Ward said that there are several competitors, Chubb, AIG, Travelers, however, they do not compare to the coverage from Rural Special Districts Insurance (RSDI), Special Districts Risk Management Authority (SDRMA), or Association of California Water Agencies (ACWA). He said any of the last three would be competitive; however, SDRMA and ACWA are pools and may call for additional funds, while RSDI premium is at a guaranteed cost. This year the rates quoted are 11% less than last years even with increases in coverage of assets. He said rates are down because of the market, but also because we have a low claims record. He said there is additional insurance available that covers terrorism, over and above the \$11,000,000 in the current policy. He asked Stein about claims handling and Stein stated the claims management firm handling claims has been excellent to work with and he recommended that we renew with RSDI at a cost of \$260,275. Motion by Director Roos, seconded by Director Kamper, and unanimously carried, to approve the renewal of the District's Property and Liability Insurance with RSDI at a cost of \$260,275 effective October 1, 2007 through September 30, 2008.

Consider approving \$19,915 bid by Underwater Resources to ensure the integrity of the Woodward Reservoir log booms. Hubkey stated that the Bi-annual inspection found the need for repairs at a cost of \$19,915. Director Kuil asked what the annual cost was and Hubkey said he estimates it will probably average about \$40,000 per year. He said there is another type of boom which is much sturdier and would require less maintenance for around \$225,000. The Board asked about taking out the booms and putting something over the entrance to keep boats out of the upper reservoir area. Stroud said the booms are there for safety to keep people from hitting the wall, if we remove them we would probably have a problem with the Insurance Company since they were put there for safety reasons. Motion by Director Kamper, seconded by Director Schulz, and unanimously carried to approve bid by Underwater Resources of \$19,915 to repair the booms.

Hubkey reported:

We have accumulated 117 man days to fiber repairs since July 16th. Zenon submitted an offer to us to do the repairs for \$500,000 per year, with an eight year contract. Hubkey said we are still

analyzing this offer and will consult with the Operating Committee before bringing a recommendation to the Board.

There are 10 plants using the Zenon membranes. We have contacted two and they are having the same fiber breakage and coupling failure problems we are. We are going to try to contact the others, and Ed Erisman, T-5 operator, is now in Arizona at training for membrane filters. Hopefully he will come back with information on the issues.

Consider awarding contract for sealing corporate yard pavement. Gilton said we sent out requests to four contractors for proposals. We received two proposals. Low bid was \$35,960. He recommended approval with a 5% contingency of \$1,798.00. Motion by Director Roos, seconded by Director Kamper, and unanimously carried, to approve as recommended.

Consider approving budget for 2007-08 maintenance for Beck's Enterprises for this maintenance season repair work on the Joint Main Supply Canal. Also, to include time and materials agreement with Condor to oversee work. Gilton said the work Beck will be doing is approximately \$800,000 and the Condor portion which will be for specifications on rock bolting, field service and inspection is approximately \$70,000. Gilton's recommendation is for approval. Schulz asked if it will take five years to start the work on the bypass tunnel. Gilton said it probably will. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to authorize a budget amount of \$870,000 for 07-08' Joint Main Supply Canal maintenance.

President Kuil called for closed session. District Counsel Emrick said the Board will be discussing one item:

Conference with labor negotiator. Agency Negotiators: Lee Clark and Jeff Shields. Employee Organization: I.B.E.W. Local 1145.

Upon returning from closed session President Kuil reported no reportable action was taken in closed session.

Director Kamper left at 10:35 a.m.

President Kuil asked for Managers' reports.

Stroud said that Mr. Jeff McPhee who owns 40 acres on 28 mile road wants to purchase or lease District property east of 28 Mile Road to plant grain to improve the habitat value and to attract waterfowl and wildlife. Stroud said he told McPhee that the District spent a lot of money to purchase grazing rights and installed a lot of fencing to meet water quality requirements imposed by the State Health Department. Since Woodward is now a public drinking water supply and water quality regulations continue to become increasingly stringent, it would be difficult to make such a project work. Chemical or fertilizer application would not be permitted in the area and increase in manure generating birds or mammals would be problems. Also, Stanislaus County has a non-exclusive lease of the area for recreation use. In any event, it was not likely the Board would approve this without exact details of what is proposed and feedback from State Health. When McPhee has more information, he is welcome to ask it be put on the agenda.

Escalon School District called and wants 10 loads of dirt. He said we have dirt stockpiled at the Van Groningen Reservoir and at the Water Treatment Plant for future District use. In the past the Board has refused to sell that dirt, but if the Board is willing to discuss it, staff will place it on the agenda. Consensus was to put it on the agenda.

San Joaquin County Board of Supervisors adopted an ordinance on regulations for copper recyclers. Cities will need to adopt a similar ordinance in order to enforce the provisions on recyclers located within city limits.

Frank Avila said the SCADA system is utilizing dozens of sensors to judge water levels. Each sensor costs \$2,300. Frank found another sensor for \$600 that will work well, and it is easier to calibrate and does not need to be calibrated as often.

SEWD's ribbon cutting for their Water Treatment Plant Enhancement Project is Friday, September 28th at 10:00 a.m. He said he thought Director Holbrook planned to attend. Director Roos said he would try to attend, and Shields said one of the staff will attend.

Year to date we have received over 22,000 acre feet of water from OID. We captured and used about 98%.

Said the San Joaquin County Water Coalition has collected over \$750,000 from members, so approximately ¾ of the agricultural acres are covered by the coalition. He said a list of paid members must be sent to the State in October and the State will decide what to do with those not on the list.

Stroud reported that we have a Public Records Act request from the Sun Times for employee names, job title, earnings and overtime pay for all employees. In response to a question from the Board, Emrick said he does not like releasing this information for all employees, but has no choice since the State Supreme Court's decision applies to all employees, not just to the most highly paid. Employees will be given a statement outlining the reasons we must do this and they will be given a few days notice before the information is released. Emrick said he has no choice but to obey the law and will send out the list as required.

Shields reported that the CPUC ruled in a case SSJID intervened in regarding problems from PG&E estimating customer bills. He said their ruling reads that PG&E Shareholders are to refund \$35 million to ratepayers. SSJID's testimony is credited for \$12 million of these refunds.

Reported that the District's Fall Newsletter should be out before Friday.

Director's reports:

Director Schulz said he was told by Ken Vogel that the San Joaquin County Board of Supervisors had LAFCO on their agenda.

Director Kuil said that a landowner told him that a District pump was pumping too much sodium. He said he had the water tested for chlorides, salts, and nitrates. Test showed normal for everything but nitrates, they were high. Kuil feels we should test water in all the wells. Stroud said we test well water when we have a water quality complaint, which we rarely get. He said we use wells for two reasons; to control groundwater levels and to provide water to make up for a short head. If we don't run wells and have a short head, rotations will be lengthened. Before altering rules for running wells, we should consult growers in the affected areas to develop a consensus on the best options for the greatest good. He said we do not guarantee the quality of the water and should not use public funds to test it without first identifying a problem to be solved.

There being no further business to come before the Board it was moved by Director Schulz, seconded by Director Roos, and unanimously carried, to adjourn to October 9, 2007 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary