

Manteca, California
September 26, 2006

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 ROOS SCHULZ KUIL

Also present were Secretary/Manager Stroud, District Counsel Emrick, District Engineer Gilton and Water Treatment Plant Manager Hubkey. President Roos called the meeting to order and asked for Public Comment. There being none he asked the Board to consider approving the Consent Calendar as presented.

CONSENT CALENDAR

- A. SSJID warrants of \$649,120.26.
- B. Regular Adjourned Board Meeting Minutes of September 12, 2006.
- C. Utility System's Director Job Description.
- D. Accept and file Notice of Completion for Terra Bella Development.

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

PASSED AND ADOPTED this 26th day of September 2006 by the following roll call vote:

Ayes:	DeGroot	Kamper	Roos	Schulz	Kuil
Noes:	None				

Item #1 – Dave Ward of Interwest Insurance Services addressed the Board concerning property & liability insurance. Mr. Ward recommended that the Board approve renewal with Rural Special Districts Insurance. After a brief discussion a motion was made by Director Kuil and seconded by Director Kamper to renew our contract with Rural Special Districts Insurance. The motion passed unanimously.

President Roos asked Water Treatment Plant Manager Hubkey to give his Manager's report.

Hubkey reported the following:

Black & Veatch and Zenon are still dealing with warranty issues in conjunction with the chemical pumps/flow control valves.

The M-2 site has had motor failure.

Item #2 – Approve cancellation of Irrigation Service Abandonment Agreements #1064 & #1102. Property owner, John & J.G. Deegan Jr. requested that the Agreements be cancelled on APN# 245-070-26 & 245-070-37. Motion by Kamper and seconded by Schulz to approve the cancellations per staff recommendation. The motion was carried unanimously.

Item #3 – District Engineer, Gilton addressed the Board concerning the contract for purchase of Rubber Gasketed Reinforced Concrete Pipe to California Concrete Pipe Company. The pipe is being purchased for the Lateral "U" and Lateral "A" replacement projects. Motion made by Schulz and seconded by Kuil to award the contract for

purchase of RGRCP to California Concrete Pipe for \$311,900.71. The motion was carried unanimously.

Stroud reported the following:

Draft agenda for SJ River Group, meeting the last week in October.

Summer Intern, Alexa LaVere, completed a Pictorial Organizational Chart of the District before she left for college. Copies of the chart can be found in the front office, shop and water treatment plant.

Keith Obrochta started work in the Maintenance Department last week.

Ag delivery's have slowed down due to harvesting of crops.

Tunnel repair on the MSC will begin as soon as it is possible.

Manteca water tank is scheduled to come down. Stroud will be meeting with the City in mid-October to discuss different options for our SCADA equipment that is located on the water tank.

President Roos called for Directors Reports:

Kamper stated that Modesto Irrigation District is keeping water in their canals until mid-November.

Roos told the Board that there was an interesting article in the Wall Street Journal concerning the economics of salmon.

Utility Director, Shields reported the following:

The CPUC is conducting "Affiliate Transaction Rulemaking" workshops to get information on how a holding company like PG&E Corp accounts for ratepayer funds and benefits when an affiliate such as PG&E Company does work for the parent company or another affiliate of the parent. An example might be when PG&E Corp. conducts a phone survey of a customers group and passes the information to PG&E Company. Because PG&E Corp has no other income except that generated by rates, Shields said the District can use the Affiliate Transaction rulemaking to raise the issue of whether cash collected in rates can be used for these purposes.

Shields also reported that PG&E is sending out letters taking credit for a rate reduction of 15% on residential customers October electric bills (10% for ag & commercial). Shields said this letter is disingenuous in that the money represents an over-collection above the 11.35% Return on Equity that the CPUC authorizes. So, the CPUC can allow an immediate return or they can lower the rate in the proceeding year.

Shields passed out information indicating that the CPUC had voted unanimously to oppose Proposition 90 on the November Ballot. Prop 90 is a bill to restrict eminent domain. Shields also reported that the State Chamber of Commerce, Small Business Association and other business groups oppose this measure.

Shields reported on a new solar initiative implemented by the CPUC. The program calls for significant rebates for solar installations. Shields said he would arrange for a tour of a 1 MW facility for members of the Board that are interested.

Roos called for closed session. General Counsel Emrick said we would discuss the following in closed session.

CONFERENCE WITH LEGAL COUNSEL-RE: Anticipated Litigation-Initiation of Litigation -1 case.

CONFERENCE WITH LEGAL COUNSEL, Existing Litigation, Gov. Code, S. 54956.9.

SSJID v. LAFCO, Superior Court, San Joaquin County, Case No. CV 030255.

Collins Electric Company, Inc., V C. Overaa & Co. et. al. Superior Court, San Joaquin County, Case No. CV 029244.

Delta Keeper V. SSJID, Superior Court, Sacramento County, Case No. 04CS00228.

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 Director Kuil, seconded by Director Roos, and unanimously carried, to adjourn to October 10, 2006, at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary