

Manteca, California
September 28, 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. There being no public comment President Kamper asked the Board to consider the Consent Calendar Items.

CONSENT CALENDAR

- A. Warrants of \$534,648.01
- B. Regular Board Meeting Minutes of September 14, 2010.

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

Motion passed and adopted this 28th day of September, 2010 by the following roll call vote:

Ayes:	Holbrook	Kamper	Roos	Kuil	Schulz
Noes:	None				

Item #1, Presentation by David Ward of InterWest Insurance Services, Inc. Mr. Ward handed out copies of the 2010 Commercial Insurance Proposals and his recommendations. He told the Board that there are two viable options open to the District. Option #1 is Rural Special Districts Insurance (RSDI), which is our current carrier. Option #2 is Special Districts Risk Management Association (SDRMA). Both programs have comparable coverage and rates. Ward said his recommendation was to remain with RSDI. Director Kuil made a motion to renew the District's commercial insurance coverage with RSDI. Kuil's motion was seconded by Schulz. The motion passed unanimously.

Item #2, Accept quote submitted by Big Valley Divers to reconstruct log booms and install buoy system, caution signs and warning lights at Woodward Reservoir and authorize General Manager to sign a contract for the work. Shields told the Board that he would like to pull this item until a future date.

Item #3, Discussion and possible action relative to the Union Ranch East Unit #3 Development, affecting portions of Laterals “Rg” and “Rff”. Sam Bologna explained that this portion of the development will involve replacement of a portion of Laterals “Rg” and “Rff”. Drain 3a and a portion of Lateral “Rff” were placed with previous units approximately 4 years ago. The current plans call for replacement of the existing 36” portion of Lateral “Rff with approximately 390 feet of 42” RGRCP. The plans also call for relocating 1,750 feet of Lateral “Rg” with 54” RGRCP to be located along the new streets with a connection back into the existing “Rg” on the north side of the development. Bologna asked the Board to approve the Union Ranch East Unit #3 Development Plans in compliance with the special conditions and requirements addressed in Exhibit “C” of the Developer’s Agreement. The special conditions and requirements are as follows: 1). Owner/developer shall submit improvement plans and final maps for the entire Union Ranch East Unit #3 development to the Engineering Department for approval and comply with all standard requirements concerning replacement of all facilities located within the development as specified in the Union Ranch East tentative map conditions adopted for the project. 2). Owner/developer shall not build or develop within District easement until the replacement of the District’s facilities has occurred in accordance with approved plans. 3). Owner/developer shall convey new easements and enter into an Encroachment Agreement with the District for all proposed encroachments. 4). Owner/developer shall notify District at least 48 hours prior to commencement of work. Work shall be complete and pipeline operational as specified by District. The deadline for work is typically February 15th of any given year. 5). Owner/developer acknowledges that acceptance of storm water for this project will be subject to the terms and conditions of the Storm Drainage Master Plan between the District and the City. He also asked the Board to authorize signature of standard documents for developments and payment of reimbursement for pipeline replacement. Holbrook made a motion to approve Union Ranch East Unit #3 Development Plans, authorize signatures and reimbursement payment in accordance with District policy as outlined above. Roos seconded the motion. The motion passed unanimously.

Item #4, Discussion and possible action relative to the rental of the District’s Austin Road Property (APN 208-070-24&35). Shields gave a brief background to the issue. He said that staff was asking for the Boards input concerning entering into a rental agreement with Joe V. Machado. Mr. Machado had a lease agreement with the former owner. Due to the fact that time is an issue because Machado would like to start preparing the land for planting winter oats, it was moved by Holbrook seconded by Roos to have President Kamper name a Director to work with the General Manager and give them the authority to negotiate and finalize an agreement with Joe V. Machado. Motion passed unanimously. President Kamper named Director Kuil.

Item #5, Discussion concerning Ripon’s proposed interconnection to the WTP. Item to be addressed after Closed Session.

Item #6, Set end of Water Season 2010. Shields noted that historically, the District has held its employee safety day the Friday following the end of water season. Due to the fact that the end of water season does not have a set date, it has proved to be a challenge every year to schedule speakers and flu shots for the event. With this in mind, staff has decided to set the first Wednesday of November for the annual event. The Board had no objections to having a set date for the annual safety day event. After a brief discussion

concerning different dates for the end of water season, Director Schulz made a motion to set October 26th as the last day of Water Season 2010. The motion was seconded by Kuil. Motion passed 4-1, with Kamper opposing.

President Kamper called for Director Reports:

Holbrook said that at the Flood Control Advisory Meeting it was reported that Dr. Mel Lytle predicts next year will be a normal to dry year.

Kuil reported that he had a chance to look at a Consumption Totals Report generated by True Point. He questioned the reliability of the numbers. Cheryl Burke told the Board that there are many variables to the reporting of the water being delivered to individual properties. She told the Board that it has become apparent that we need to provide the Water Department better tools to measure the water being delivered. and also Shields said he would look into the issue. Director Holbrook commented that after Water Season we should offer more training on water measurement and accurate recording skills.

Kamper commented that the District's rental property has been cleaned up a lot but feels there is room for more to be done.

President Kamper asked for Manager's Reports.

Hubkey reported the following:

- The Plant lost electrical power three times in the last week. The emergency generator turned on twice.
- The scheduled recovery cleans will be complete next week.
- Staff will start to harvest around 120-130 good modules to save as replacement modules when it installs V-3's in the second train.
- Caulking on sludge bed #3 is complete and ready for service
- The new Administrative Assistant will start next Monday.

Bere Lindley, Finance/Administration Dept. Manager handed out a page showing two graphs, one entitled Operating vs. Non-operating Revenues YTD and the other Operating Revenues YTD to be included in the Financial Report for August. Bere presented the financial report and answered a few questions. Director Holbrook asked Bere to clarify the title heading "Total Revenues" on page FS-1. Bere said they should meet to discuss the issue. Holbrook agreed.

General Manager Report:

- Handed out Tri-Dam Operation's Daily Report dated September 27 and SSJID's 7 Day Water Usage Report for the week of September 12.
- He and Emrick attended a meeting with the Bureau on Monday concerning approval of a Warren Act Water Contract for SSJID & OID.
- SEWD has been denied a Warren Act Contract and the rescheduling of 2010 water to 2011.
- Annual East Bay BBQ held at Pardee Reservoir is scheduled for October 1st.

- Received letter from the Executive Director of ACWA asking for the District's support of legislation to be introduced in 2011 which would create mandatory statewide regulations in an effort to stop the spread of Zebra and Quagga Mussels.

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:

- a. CONFERENCE WITH LEGAL COUNSEL-Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- 2 cases

- b. CONFERENCE WITH LEGAL COUNSEL-
Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 - 1 case
Various water quality proceedings before State Water Resources Control Board—Delta Flow Criteria, San Joaquin River Flow Objectives

- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
California Government Code Section 54656.8
Property: Water
Agency Negotiator: General Manager
Negotiating Parties: District and City of Ripon
Under Negotiation: Price and Terms of Payment

- d. CONFERENCE WITH LEGAL COUNSEL-Existing litigation
Subdivision (a) of Government Code Section 54956.9
 - PG&E General Rate Case 2011- CPUC A.09-12-020
 - OID & SSJID v. US Department of Commerce US District Court Case No. 1:09-cv-2452.

Upon returning from closed session, it was announced that no reportable action was taken.

Item # 5, Discussion concerning Ripon's proposed interconnection to the WTP was tabled until a later date.

There being no further business to come before the Board it was moved by Director Holbrook, seconded by Director Kuil and unanimously carried to adjourn to October 12, 2010 at 9:00 a.m.

ATTEST:

Cheryl Burke, Executive Secretary