

Manteca, California
September 29, 2009

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: KUIL KAMPER ROOS
 Absent: HOLBROOK SCHULZ

Also present were Secretary/Manager Shields, District Counsel Emrick, Finance/System Supervisor Giuntoli, Engineering Department Manager Bologna, Communications Coordinator Sayler, Human Resources Analyst Thornburg, Utility Systems Director Battles, Water Treatment Plant Manager Hubkey, Operations/Water Superintendent Catanzarite, Maintenance Superintendent Strmiska and Technical Supervisor Avila and IT Technician O'Leary.

President Kamper called the meeting to order and asked for public comment.

Manuel Medeiros, Manteca told the Board he has an appointment with Sam Bologna this afternoon to discuss replacing the District pipeline across his property. He said he has several changes he would like considered at that meeting and would like one of the Directors to be at the meeting.

Mrs. Sherry Knox addressed the Board relative to Melissa Knox, her mother-in-law, who owns the property on 16612 Escalon Bellota Road, Escalon. She stated that she and her husband moved there in 2002. She stated she received a Certificate of Sale sent to Mrs. Melissa Knox at the above address a week after she passed away. This is the only thing they received, no bills, just that the District was selling her property for \$70.00 not paid. She said they cannot get water so they quit paying for it. She said staff told her they have no authority to make a decision to waive the charge, and that she would have to attend the Board meeting and that is why she is here. She asked that this matter be looked into and corrected immediately.

President Kamper thanked her for coming and said we will look into it and get back to her.

President Kamper asked the Board to consider approving the Consent Calendar Items as presented:

CONSENT CALENDAR

- A. SSJID warrants of \$525,476.42 and wires of \$278,618.23
- B. Special Board Meeting Minutes of September, 3, 2009 and Regular Board Meeting Minutes of September 8, 2009.
- C. Adopt Amendment #2 to Water Supply Development Agreement.
- D. Adopt Resolution 09-15-P, Authorizing Conveyance by Quit Claim of District Easement, on Lateral Tb to the City of Manteca.

Motion by Director Kuil, seconded by Director Roos, to adopt the Consent Calendar Items above as presented.

PASSED AND ADOPTED this 29th day of September 2009 by the following roll call vote:

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

Update on Proposition 1A Property Tax reallocation and securitization. Shields said this issue was discussed at a previous meeting but since then there have been some new developments. Under Prop 1A the State will take approximately \$306,000 from the

District. The Cities in the District and the Fire District's are also impacted by approximately \$1,780,000. He said he thought we may want to consider loans to the Cities and Fire Districts if they are interested. Emrick said we will need to make sure this is a permitted investment whereby we would advance the funds to the entities and assume the State's repayment obligation. Kuil said he feels we need to do this and put it on the agenda for the next meeting. After discussion it was the consensus to table this until District Counsel has researched and we have more details. Several local Fire District representatives said they had attended the meeting in an effort to learn more about the District's proposal. They said they understood it involved some risk on the part of the District and that even if the District does not end up supporting this proposal, they appreciated the Board's consideration into the matter. They said that all Special Districts need to work together during these difficult times. No action was taken.

Consider approving purchase of a Sequel Server and a holding rack for the Water Treatment Plant. Hubkey said we have two servers that run 24/7, 365 days a year, that have been in service since June 2005, and their normal life is five years. We need a backup so when one goes down we can replace it without too much down time. We currently use Dell and feel it is the best server and want to buy a spare Dell at a cost of \$4,000. Additionally, we currently have a stand alone server tower and we would like to go to a rack-mounted server because it is easier to provide the needed air circulation and cooling. The new rack is also \$4,000. Thus, we are requesting an amount not to exceed \$8,000 for a new Dell server and a rack-mounted server. Motion by Director Roos, seconded by Director Kamper, and unanimously carried to approve the purchase of a Dell server and a rack- mounted at a total cost not to exceed \$8,000.

Consider approving the purchase of a 4" towable diesel pump with suction hose for the Water Treatment Plant. We had asked for this pump at a prior Board meeting; however we got quotes for the wrong pump as a result of an error by the vendor. We are back asking for the pump again and the price is \$16,550.00. This pump will pump 800 gpm while the one quoted before would pump 500 gpm. The difference between the previous quote and the current quote is \$4,762.50. Motion by Director Kuil, seconded by Director Roos, and unanimously carried, to authorize purchase of the pump with suction and discharge and mounted on a trailer as requested above not to exceed \$16,550.00.

Consider approving the purchase of storage bins to store inventoried spare parts at the Treatment Plant. We have a maintenance software program called "Simplicity." Over the last few months we did a complete inventory audit of all spare parts. We need the bins to store and track inventory. This should keep equipment down time to a minimum and help stop duplicate spending on parts. The low bid of three was by SSI Schaefer at \$4,887.44. The other bids were \$5,527.20 and \$6,716.22 by Granger and McMaster-Carr. Motion by Director Kuil, seconded by Director Kamper, and unanimously carried to authorize purchasing the bins from SSI Schaefer as recommended at a price not to exceed \$4,887.44.

President Kamper asked Hubkey for his manager's report:

Hubkey reported the following:

- Plant flows are up 19% to approximately 30 MGD.
- The new V-3 modules are expected to arrive within 4 weeks. GE decided they will not be able to ship the new modules without glycerin, which was discussed at a previous board meeting. The City of Tracy has agreed to assist us with disposal of the glycerin.
- Forsgren & Associates and staff held a pre-construction meeting with Ross Carroll the contractor for the POP Project. The topic was safety. Additionally, they reviewed the lab's finding on the citric acid and discussed possible ways to recycle or neutralize the material.
- Staff sampled water from the old well that was used for construction to establish a baseline for ground water.
- We met with the operations staff from the Cities and discussed shut down of the transmission line to locate a valve at Tracy Booster station and a water quality drill for the transmission line.

Shields told the Board that Richard Hartman, Operations Supervisor, had announced his retirement date as January 15, 2010. He said we will soon begin looking for his replacement.

Consider approving a contract with TruePoint Solutions and authorize staff to purchase True Aim software and appurtenant hardware. Catanzarite said the system will help the Division Managers keep records, such as customer, date and time water turned in and out and amount of water used. This consists of a small computer in each truck and will take the place of our current runsheets. He said once the system is operational, he will be able to look at the computer in his office and see where the water is in each division, who has it, and for how long. Cost of the system is \$64,840. A monthly cost of \$674.85 is for 15 wireless broadband units. The cost is estimated by TruePoint, allocating 112 hours for installation, configuration, data loading, training and report development at an hourly rate of \$125.00. The final cost could be more or less. Catanzarite recommended approval as requested above. Motion by Director Kuil, seconded by Director Roos, and unanimously carried, to purchase the system at a cost of approximately \$64,840.

Consider selection of a Liability/Property insurance carrier for October 1, 2009 through September 30, 2010. Dave Ward of InterWest Insurance Services, Inc. the Districts broker is here to present the proposals. Ward said we have proposals from our current Insurer Rural Special Districts Insurance Company (RSDIC) who uses American Alternative Insurance; and from Special Districts Risk Management Association (SDRMA). The coverage is almost identical however RSDIC is commercial insurance coverage while SDRMA is a pool. Also, RSDIC has Dam Failure and Inverse Condemnation while SDRMA does not. Cost for RSDIC is \$305,401 and for SDRMA is \$355,216. After discussion it was moved by Director Kuil, seconded by Director Kamper, and unanimously carried to renew with RSDIC at a cost of \$305,401.

Consider approving purchase of a new server and new server software to power our network infrastructure. Giuntoli introduced IT Tech Michael O'Leary. O'Leary said when our server goes down it causes many problems, which to date we have survived, but we need to make a change. We have 1 server here and 1 at the WTP. He recommended purchasing 3 new servers, 2 here; one for email and the other for data. At the WTP O'Leary recommends replacing the server with a more powerful and up to date server. The three brands were researched and the quotes from Dell, HP and IBM are \$33,398.67, \$28,280.06 and \$35,624.85 respectively. Michael recommends going with Dell at \$33,398.67 because it has the highest ranking, a three year warranty for parts, and overnight shipping of parts, and service technicians on call in Texas 24/7. Motion by Director Roos, seconded by Director Kuil, and unanimously carried, to purchase the Dell servers at a cost not to exceed \$33,398.67.

Consider amendment to Irrigation Service Abandonment Agreement #1221, Carol Posey, APN 245-080-11. Mrs. Posey now wants to use District water on 17.08 acres, but the existing facility that runs through her property is in need of major repair or replacement in order to provide water to her property. This District is proposing to construct a project that would connect Lateral "Bd" to "Ka" at Von Glahn Avenue. Conditional approval was recommended subject to the completion of the proposed project. After discussion it was decided to table the matter until we had a closer timetable for completion of the proposed project. No action was taken.

Consider purchase of pipe for 2009 winter maintenance projects. Bologna has three proposals for the pipe from Hanson Pipe, Kristich-Monterey, and Oldcastle Precast. Hanson had the lowest overall bid in all pipe size categories once tax and delivery charges were added. Motion by Director Roos, seconded by Director Kuil, and unanimously carried, to purchase the pipe from Hanson Pipe at their quoted price.

Review and possible acceptance of appraisal report for Division 9 Project. Shields said he did not have the appraisal in time to review it and thus would like to table this item to a later date. The Board concurred. No action was taken.

Set the date for the end of the 2009 irrigation season. Shields said he recommends either the 14th or 21st of October. Motion by Director Kuil, seconded by Director Roos, and unanimously carried to end the season on the 21st of October unless we have ½ inch of rain or more at the District yard.

Director reports from the CSDA Conference. Since Director Holbrook and Schulz were absent, Director Kuil reported that overall it was an excellent conference. He said there were only about 250 in attendance compared to 2,000 at ACWA. It gave numerous opportunities to interface with other elected officials and staff. Kuil said the speakers were informative particularly the gentleman from Disney who said Walt Disney was successful not only from hard work, but because he was for change and expansion. Another speaker said you have to keep your employees updated, hold them accountable and reward them for excellence.

Consider adopting a position on Water Bill Package and SB68. Shields said SB68 did not pass. However, when the Senate reconvenes on October 12 and the Assembly on October 19 the bill will probably resurface. Emrick handed out a summary of SB68 and a draft of a letter from The Upstream Coalition to the Senate and Assembly and asked that the District support the letter. After discussion it was moved by Director Roos, seconded by Director Kamper, and unanimously carried, to authorize joining The Upstream Coalition and endorse the letter.

President Kamper asked for Manager Reports:

Shields said he and a couple of Directors attended the OID Centennial Celebration last Saturday night. He said it was a successful event and well attended.

Shields reported on emergency work done on the Lateral "T". On Monday September 21, 2009 at about 4:00 p.m. crews brought necessary materials and equipment to the damage site. Early Tuesday morning they began the work of removing the old cement. The crew then reshaped the canal and poured new cement. All the work was completed by 4:30 p.m. the same day. He showed some slides of the damage and the repair. Shields complimented the crew on a job well done. The Board concurred that the work was done fast and looked great and asked Shields to thank the crew and their supervisors.

Motion by Director Kuil, seconded by Director Roos, to adjourn to the Tri-Dam meeting.

President Kamper called the meeting back to order at 2:00 p.m. and called for closed session. District Counsel Emrick said the Board will discuss five items in closed session.

- A. Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. One case.
- B. Conference with real property negotiator: Gov. Code S. 54956.8. Negotiating Parties: District and City of Stockton, Stockton East Water District; Districts Negotiators: General Manager and General Counsel. Under Negotiation: Price and terms of payment for sale of water.
- C. Conference with legal counsel, anticipated litigation. Gov. Code, S. 54956.9. Various hearings and workshops concerning the San Joaquin River and the Bay-Delta before the State Water Resources Control Board.
- D. Conference with legal counsel, anticipated litigation. Gov. Code, S. 54956.9. OID & SSJID v. US Department of Commerce. U.S. District Court 1:09-cv-015-OWW-DLB.
- E. Conference with legal counsel. Anticipated litigation. Significant exposure to litigation. Gov. Code, S. 54956.9.

Upon returning from Closed Session District Counsel Emrick no reportable action was taken in closed session.

There being no further business to come before the Board it was moved by Director Roos, seconded by Director Kamper, and unanimously carried to adjourn to October 13, 2009 at 9:00 a.m. in their chambers.

ATTEST:

John Stein, Assistant Secretary