

Manteca, California
October 27, 2009

The Board of Directors of the South San Joaquin Irrigation District met in special session in their chambers at the hour of 1:30 p.m.

Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK KUIL KAMPER SCHULZ ROOS

Also present were Secretary Manager Shields, District Counsel Emrick, Engineering Department Manager Bologna, HR Analyst Thornburg, Utility Director Battles, Water Treatment Plant Manager Hubkey, and Communications Analyst Saylor.

President Kamper 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 submitted.

CONSENT CALENDAR

- A. SSJID Warrants \$778,479.52 and Wires \$115,527.37.
- B. Regular Board Meeting Minutes of October 13, 2009.
- C. Notice of Completion for work on the FCOC Crossing Project (SSJ-2009-01).
- D. Irrigation Service Abandonment Agreements as follows:
 - #1573, Howell, Steven, APN 228-140-25, acreage 2.03, exempt from charges.
 - #1574, Sik, Dae Kim, APN 218-210-11, acreage 0.69, exempt from charges.
 - #1575, Villarreal, Gonzalo, APN 200-140-04, acreage 1.45, exempt from charges.

Motion by Director Roos, seconded by Director Kuil, to approve the consent calendar items as submitted.

PASSED AND ADOPTED this 27th day of October 2009 by the following roll call vote:

Ayes: Holbrook Kuil Kamper Schulz Roos
Noes: None

Consider awarding contract for Lateral V-Ufa connection (SSJ-2009-04) replacement project to Allen A. Waggoner Construction Co. The project was broken down into bid alternates to allow the Board to determine extent of project desired and whether or not they wanted to proceed with the connection. Bologna recommended doing the alternates as indicated for a total of \$175,442 plus the \$17,554 contingency. Bologna indicated after analyzing the hydraulics of the proposed connection, it will not be able to convey the same head as the "Ufa" but could result in some flexibility for water service by eliminating dead-end line. Motion by Director Roos, seconded by Director Holbrook, and unanimously carried, to approve the contract for \$175,442 plus the \$17,544 contingency and authorize execution of the agreement with the Waggoner Construction Company.

Consider awarding contract for Lateral Kac-Qc (SSJ-2009-05) replacement project to Rolfe Construction. Bologna said a 408 foot section of the "Qc" upstream of the proposed connection point also needs to be replaced with RGRCP as part of the project, at an estimated additional cost of \$12,000. The total cost with the change order is \$221,472. Bologna recommended approval at that amount. Motion by Director Holbrook, seconded by Director Roos, and unanimously carried, to authorize awarding the contract to Rolfe Construction at a cost not to exceed \$221,472 and the additional \$12,000 for replacement of existing line upstream of project and the proposed connection for "Qc" to "Q" at Murphy Road.

Consider adopting Resolution No. 09-17-B; To Reaffirm Charges for Services Furnished by the District. Shields said another item is on the agenda to discuss; "Implementation of a Water Conservation Plan", which is item number six on today's agenda. He said the Big 5 in Sacramento, (the Governor, Majority and Minority leaders of the Assembly and Senate) have an agreement which will impact us directly by requiring adoption of water conservation measures, better water measurement and increased reporting. To offset the additional cost, we need to maintain our water charges and use the revenues to adopt more water conservation programs Motion by Director Holbrook, seconded by Director Roos, to adopt Resolution No. 09-17-B. Director Schulz said he wants to waive the charges for 2010. Roos agreed with Schulz, but said with Donnell's Hydro down our revenues will be down.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION NO. 09-17-B
RESOLUTION TO REAFFIRM CHARGES FOR
SERVICES FURNISHED BY THE DISTRICT**

WHEREAS, Irrigation District law provides authority for the District, in lieu, in whole or in part, of levying assessments, to fix and collect charges for any service furnished by the District and to prescribe reasonable rules with respect to said charges; and

WHEREAS, the District currently charges \$24.00 per acre for water service to each parcel in the District on which District-supplied surface water is used for irrigation, with a minimum charge of \$50, and

WHEREAS, the District currently charges \$12.00 per acre for groundwater recharge to each parcel in the District which is subject to a recorded Irrigation Service Abandonment Agreement, and on which crops are commercially grown, with a minimum charge of \$25, and

WHEREAS, the District declares the following:

- (1) The revenues derived from these said fees do not exceed the funds required to provide subject properties related services.
- (2) The revenues derived from the charges will not be used for any purpose other than that for which the charges are imposed.
- (3) The amount of a charge imposed shall not exceed the proportional cost of the service.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that pursuant to Sections 22280 and 22283 of the Water Code, the District hereby sets water charges for the 2010 water year as follows:

RULE NO. 1-1, Subject to rule number 1-2; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, there shall be an annual "USE OF DISTRICT WATER" charge of **\$24.00** per acre for the "Use of District Water."

RULE NO. 1-2, Subject to rule number 3-1; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the minimum billing (charge) for "USE OF DISTRICT WATER" shall be **\$50.00**.

RULE NO. 2-1, Subject to rule number 2-2; those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are used to grow commercially grown crops but which, (a) choose not to utilize District Water Service, and (b) which are the subject of an approved District Irrigation Service Abandonment Agreement, there shall be an annual "GROUND WATER RECHARGE" charge of **\$12.00** per acre for the benefits derived from "Ground Water Recharge."

RULE NO. 2-2, Subject to rule number 3-1; for each separate parcel, as shown on the District records of San Joaquin County Assessor's Parcel Maps, the minimum billing (charge) for "GROUND WATER RECHARGE" shall be **\$25.00**.

RULE NO. 3-1, Those separate parcels, as shown on the District records of San Joaquin County Assessor's Parcels, which are not used to grow crops or which do not utilize District Water Service may be exempted from District "USE OF DISTRICT WATER" and "GROUND WATER RECHARGE" fees provided the owners of such lands enter into an "Irrigation Service Abandonment Agreement" covering same and provided further, there are no outstanding amounts owed to District on such lands.

PASSED AND ADOPTED this 27th day of October 2009 by the following roll call vote:

Ayes:	Holbrook	Kuil	Kamper	Roos
Noes:	Schulz			

Consider authorizing the General Manager to waive water charge fees and charges up to \$100. Shields said this authority would be used only when needed, and when there is legal authority to waive the fees and charges. After discussion it was moved by Director Kuil, seconded by Director Holbrook, and unanimously carried, to authorize the General Manager to waive fees and charges up to \$100 as recommended.

Discussion regarding possible alignment change on Lateral "Qo" pipeline replacement project. Bologna said there are basically three options. Option 3 (northern most realign) was the most favorable option from a cost standpoint for both the District and landowners. However Mr. Medeiros did not like that option and would not approve new construction. As such, the next best option is to remove and replace its existing alignment. The south option would involve having to remove a PG&E pole. PG&E said it could be up to four months before they could move the pole. Also, there is a tree that the landowners do not want cut down or damaged. Mr. Medeiros addressed the Board and said the south option is the best. The Board thanked him for his comments and took the following action. Motion by Director Kuil, seconded by Director Holbrook, and unanimously carried, to remove and replace in place as recommended by staff.

Discussion and possible action concerning implementation of Water Conservation Incentive Plan. A number of suggested incentive options were presented for possible inclusion in a program that is estimated to cost about \$3.2 million. Shields recommended appointing two Directors to an ad-hoc committee to determine incentive programs to implement and recommend them to the Board for final approval. President Kamper appointed Roos and Kuil as the committee members. Motion by Director Holbrook, seconded by Director Kuil, to confirm the appointment of the two members and direct them to come back to the Board with a recommendation later. Motion carried, Ayes 4, Noes 1, with Director Roos voting No.

Consider approving development of Walker property in Manteca Industrial Center affecting Lateral "Rd". Bologna said the plans show a parking lot over the line and they will be installing approximately 354 feet of 36" cast-in-place with 36" RGRCP. Bologna said if we choose to reimburse per District policy our cost at \$20.50 per linear foot would be \$7,257. Director Roos asked how many acres irrigate downstream. Bologna said 65 acres. Motion by Director Roos, seconded by Director Schulz, and unanimously carried to approve the project with the reimbursement and authorize execution of documents subject to completion of special conditions and requirements in Item #12 of the Developer's Agreement.

Discussion and possible action relative to issues concerning the Division 9 Project. Bologna said he believes we should include spurs to all properties within the project. He said the cost to do so would be an approximately 1.8 million dollars more, bringing the total cost estimated cost to 11.7 million dollars. This gives all landowners access rather than just those whose property is adjacent to the pipeline. Motion by Director Holbrook, seconded by Director Kuil, and unanimously carried, to approve bringing spurs to all properties within the project which would increase the budget by \$1.8 million to \$11.7 million.

Consider request by Gary Alfieri to purchase the District's fee interest, with the District reserving an Easement. The strip of land owned by the District is 106 feet by 530 feet, 1.15 acres and has the Q line on it. Bologna made no recommendation. Item died for lack of a motion. No action was taken.

Consider request of St. Patrick's Catholic Church concerning property interest issues. Bologna said the District owns a fee interest in a 50 foot wide strip along Carrolton Road. We have no pipelines, canals or drains on the property and the Catholic Church would like to purchase it. Bologna said he used Administration Guidelines established by the Board to determine the value of the strip at \$2,500 and he recommends we sell it at that price. Item will be brought back to the Board for approval of a resolution declaring the property surplus before the final conveyance. Motion by Director Kuil, seconded by Director Schulz, to sell the strip of land to the Catholic Church at a cost of \$2,500. Motion carried, Ayes 3, Noes 2 with Directors Holbrook and Roos voting No.

Consider request by Greg Mitchell to purchase the District's fee interest in a strip of land along Henry Road which contains a portion of the District's "B"-15 lateral. The District would reserve an easement issues. Bologna said a request by the previous owner Alfred Schimmel was approved at a price of \$57,247. Mr. Mitchell the new owner wants to purchase the 1.34 acres, but would like the price lowered. Motion by Director Roos, seconded by Director Schulz, and unanimously carried, to set the price for the land at \$57,247, the same price as was offered to Mr. Schimmel, provided the transaction closes on or before April 30, 2010.

Consider request of San Joaquin Count LAFCo for an additional fee of \$20,000. Emrick said the fee is to cover LAFCo's outside legal expenses. Motion by director Holbrook, seconded by Director Roos, to authorize the additional fee of \$20,000. Motion Carried, Ayes 4, Noes 1 with Director Kamper voting No.

Authorize staff to hire an engineer for interconnecting with the City of Manteca water line to service the District offices. Emrick said the Health Department is pressuring us to get a new source of drinking water because our domestic well has nitrates. With the new line going along Austin Road we have an opportunity to make a connection to it. He recommends we contract with an engineer to design the new water service connection to the City at a cost not to exceed \$5,000. Director Kuil said we should look at All Pure who provides a tank and water at a cost of 60 cents per gallon and use it for drinking. Shields said he would look into that option, but would like action to hire the engineer. Motion by Director Holbrook, seconded by Director Kamper, to authorize staff to hire an engineer at a not to exceed cost of \$5,000 to design the water service connection. Motion Carried, Ayes 3, Noes 2, with Directors Kuil and Schulz voting No.

Consider approving ACWA Dues for 2010 of \$18,848.50. Stein said the cost increase over last year is 4.01%, and was 9.18% the prior year due primarily to the Delta Sustainability Assessment which was added in 2009 and is still on the 2010 bill. Motion by Director Schulz, seconded by Director Roos, and unanimously carried, to authorize payment of the bill under protest.

Consider approving the Data Management Technician position and job description. Shields asked that this item be pulled from the agenda. No action was taken.

Consider authorizing payment of Public Health Fees for the Water Treatment Plant at a cost of 17,777.13. Motion by Director Schulz, seconded by Director Kuil, and unanimously carried, to authorize payment of the \$17,777.13 to the Department of Public Health as requested.

President Kamper asked for manager's reports:

Hubkey reported:

- The L-1 pump station had power failure which caused a power surge and burnt out the Mother Board that controls the fire system. We repaired the Board and installed a new “UPS” surge protector to protect the Board in the future.
- Staff flushed the lower outlet line from Woodward Reservoir in anticipation of switching to it. This is done annually after the irrigation and summer recreation season. Stanislaus County Parks and Recreation will be notified two weeks before the changeover occurs.
- The main fire control “Mother Board” quit working at the Water Treatment Plant. A new board was installed.

Shields reported:

Relative to Prop 1A the Governor signed SB67 which gives the entities that the State borrowed 8% of their property taxes the right to participate in a bond to refund the 8% taken away by the State of California.

Received a Resolution for the City of Ripon supporting our attempt to enter the retail power business at their council meeting.

The Escalon Chamber of Commerce wine tasting Friday, October 23rd was attended by Shields, Stein, Directors Holbrook, Roos, and their respective spouses. The turnout was excellent.

Per the County Controller our estimated revenue for the 2009-2010 fiscal year is \$3,478,239, less the 8% the state is taking (\$278,259, for a net to the District of \$3,199,979). Last year we received \$3,871,908.

San Luis has paid us \$4,166,660 of the \$6,250,000 they owe us.

Announced the following retirements; Tom Haggard, Assistant Water Superintendent, Richard Hartman Operations Manager at the WTP and John Stein, Assistant Manager. All three will be leaving over the next three months. He said he will be meeting with the Personnel Committee and will have a recommendation for replacing them to the Board before the end of the year.

President Kamper asked for Directors reports:

Holbrook asked if the Board could view the film shown at the annual safety meeting about ARC Flash. Shields said he would try to get that for the next meeting.

Roos said Kamper, Shields and Stein met with Kevin Martin relative to CIT’s bonds which the District holds, \$500,000 mature November 3, 2009 and \$1,000,000 mature December 2010. Stein said there are no new developments as of this morning.

Kamper asked about the SEWD Settlement with the USBR. Emrick said he had not seen it but would review it prior to the next meeting.

President Kamper called for closed session.

District Counsel Emrick said we will be discussing the following:

- Conference with legal counsel, anticipated litigation, initiation of litigation. Gov. Code, S. 54956.9. One case.
- Conference with real property negotiator. Gov. Code S. 54656.8. Negotiating parties: District and current property owners: Albert Brocchini Farms, Inc.; Circle JM Properties, LLC. Property description: APN’s 257-300-01 and 257-220-14. District’s negotiators; General Manager and General Counsel. Under negotiation price and terms of payment.
- 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.

- Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9. OID & SSJID v. US Department of Commerce.
- Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9.

Upon returning from closed session District Counsel Emrick announced there was no reportable action taken in closed session.

There being no further business to come before the Board it was moved by Director Roos, seconded by Director Schulz, and unanimously carried to adjourn to November 10, 2009 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary