

Manteca, California
November 18, 2008

The Board of Directors of the South San Joaquin Irrigation District met in Special Session in their chambers at the hour of 4:00 p.m.

Upon roll call the following members were noted present:

DIRECTORS: HOLBROOK KAMPER KUIL SCHULZ
 ABSENT: ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, Financial Supervisor Giuntoli, Communications Coordinator Sayler, and Engineering Department Manager Bologna.

President Kuil called the meeting to order. Director Roos arrived at 4:04 p.m. Kuil asked for public comment. There being none he asked the Board to consider the following:

Consider approving SSJID warrants of \$1,991,815.89. Motion by Director Schulz, seconded by Director Kamper, and unanimously carried to approve the warrants.

Presentation of OPEB Actuarial Report and recommendation by Bickmore Risk Services and Consulting. Giuntoli introduced Jeff Furnish. He stated Other Public Employee Benefits (OPEB) refers to Health Benefits for retirees. Under General Account Standard Board 45 (GASB) requires that you determine your liability. Then there are things you must do based on the audit.

1. Determine your liability, which has been done.
2. Decide how to fund that liability based on different options, which has been provided.
3. Determine a place to put the funds.
4. Decide whether you want to amortize or prefund the liability.

Mr. Furnish recommends using the CAL PERS as the trustee for the funds. It will take CAL PERS two to four weeks to finalize the Irrevocable Trust Account for the District.

Mr. Furnish told the Board the District has several options, either annual payments to the Trust to amortize the existing liability for 10 years or for 30 years or fully funding the liability immediately. Mr. Furnish recommended fully funding at a cost of \$1,273,280 as it provides more favorable investment options than investing the money in LAIF and saves costs when compared to the amortization options. He said GASB requires an updated audit every two years so based on hiring, turnover and retirements, the amount could change. Director Kuil felt we should wait and decide at the December 9 Board meeting, while Director Holbrook indicated he would like to make a decision today. After discussion, no action was taken.

Consider awarding bids for the following 5 projects, SSJ-2008-8 through 13 as follows:

1. #2008-8 Lateral Rfc pipeline, Floyd Johnston Construction Company \$155,202
2. #2008-9 Lateral Rg pipeline, Floyd Johnston Construction Company \$325,302
3. #2008-10 Drain 9/We connection, Floyd Johnston Construction Company \$544,975
4. #2008-11 Lateral U Shot Crete, Teichert Construction \$789,752
5. #2008-12 Jack Tone & Murphy Road Crossings, Floyd Johnston Construction Company \$125,285

Total cost with 10% Contingency is \$1,940,516. Bologna said when asked if Johnston had listed subcontractors said he had not, but he talked with Johnston and Mr. Johnston assured him he could do the work and Bologna said he feels comfortable he can. Bologna recommended approving the low bidders on the five jobs as listed above. He said that Floyd Johnston had neglected to sign the Addendums as is required, but that he included the Addendums in his bid. Bologna said that the omission was minor as by including the Addendums, he was informing the District that his bid was subject to them. Emrick stated the Board should find that the failure to sign the Addendums is a minor issue and make an exception as long as he signs them before we sign agreements. Motion by Director Holbrook, seconded by Director Kamper and unanimously carried, to accept the bids by Floyd Johnston Construction Company without signatures on the Addendums, to find that the omission to sign the addendums was minor and make that an exception as long as he signs the Addendums before we sign the contracts for the work. Additionally, to approve the five jobs as listed at a total cost of \$1,764,105.45 plus 10% contingency of \$176,410.55 and authorize execution of contracts by the General Manager.

President Kuil asked for Managers reports:

Shields reported this brings the total contracts awarded this year to \$9.4 million dollars, of which approximately \$4.5 million is for labor costs. He praised the Board for taking this action because hundreds of jobs have been created for the Central Valley. In addition, approximately \$878,000 worth of labor alone will be done by District employees doing construction and maintenance work.

Sayler reported that the Water Summit at UOP is this Thursday and asked for any Directors who would like to go to notify her no later than Wednesday. Directors Kuil, Roos, Holbrook and Schulz said they would attend.

There being no further business to come before the Board it was moved by Director Holbrook, seconded by Director Kamper, and unanimously carried, to adjourn to December 9, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary