

Manteca, California
November 24, 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: HOLBROOK KUIL KAMPER SCHULZ ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, HR Analyst Thornburg, Engineering Department Manager Bologna, Communications Coordinator Saylor, WTP Manager Hubkey, and Technical Supervisor Avila.

President Kamper called for public comment. There being none he asked the Board to consider approving the Consent Calendar items as presented.

- A. SSJID warrants of \$1,039,256.16 and wires of \$110,798.53.
- B. SSJID Special Meeting Minutes of November 10, 2009.
- C. Irrigation Service Abandonment Agreements.
 - AGR 1576, 1.00 acres, APN 249-180-01, Ronald Tacla
 - AGR 1577, 4.43 acres, APN 245-150-37, Donald Mendes.
- D. Accept and authorize recording of easements and transfer agreement for Lateral B.

Director Holbrook said that there were some minor corrections that need to be made to exhibits and standard documents related to item "D" which he would discuss with Sam Bologna. Motion by Director Holbrook, seconded by Director Schulz, to approve the Consent Calendar items subject to corrections being made to portions of documents relating to item "D".

Consider authorizing the General Manager to approve the bid and enter into a three year contract for Cathodic Protection/Corrosion Control Survey. Hubkey said he received three bids each for three years, and recommends accepting the low bid of JDR at \$5,000 per year for three years. Motion by Director Kuil, seconded by Director Holbrook, and unanimously carried to authorize the General Manager to execute an agreement with JDR Corrosion

Presentation of Water Balance Study Power Point Presentation, by Davids Engineering. Grant Davids said the following issues were studied:

- MSC above Woodward Reservoir, Woodward Reservoir.
- MDC below Woodward Reservoir, irrigated lands and district laterals, and the District drainage system.
- The Woodward Reservoir and the MSC above it had an average over 15 years, 1994 through 2008 of 87% + or - 5%.
- The MDC below Woodward Reservoir had a 90% efficiency + or - 5%.
- Irrigated lands had a consumptive use fraction of 67% + or - 5%. The above indicators are within 1% of comparable California Irrigation Districts.
- Mr. Davids said confidence in water balance results is lower than desired. Inflow measurements appear adequate, subject to validations.
- Internal and outflow measurements need improvement.
- District needs to distinguish between lateral and farm performance.
- The water information system is adequate for operational purposes, but needs upgrading to better support planning and technical analyses.

Recommendations:

- Initiate documents and records management, improvements to increase confidence in water balance results.
- Implement measurement of major unmeasured sites; Drain outflows and Lateral spills.

- Expand current metering to validate inflow and outflow measurements.
- Investigate and document on-farm performance.
- Initiate strategic canal/lateral seepage test program.
- Implement enhanced data quality control and reporting procedures.

2009 Water Legislation Affecting Irrigation Water Suppliers:

- SB1 – Delta Governance / Delta Plan
- SB6 – Groundwater Monitoring
- SB7 - Statewide Water Conservation
- SB8 - Water Diversion and Use / Funding.

Signed by Governor November 10, 2009. Implementation by State agencies (e.g., DWR and SWRCB) forthcoming.

Selected SB – 7 Provisions pertaining to AG Water Suppliers:

- Agricultural water suppliers defined as suppliers providing water to 10,000 or more irrigated acres.
- On or before July 31, 2012, an agricultural water supplier shall:
 - Measure the volume of water delivered to customers
 - Adopt a pricing structure based at least in part on quantity of water delivered.
 - Implement other EWMPs found to be locally cost effective and technically feasible.
- On or before December 31, 2012:
 - Prepare a Water management Plan according to specific provisions in legislation. Implement by July 31, 2012.
 - Measure with sufficient accuracy to comply with Section 531.10 subdivision of the Water Code.
 - Section 531.10 subdivision (a): An agricultural water supplier shall submit an annual report to DWR.

Both Mr. David and Bryan Thoreson said these are just some of the things that will have to be done to comply with the Water Bill. They recommended the following:

- Implement flow measurement and data system improvement to improve confidence in water balance.
- Assess alternatives for complying with customer measurement and volume-metric water rate structure.
- Prepare a preliminary draft Water Management Plan for internal use. Identify data gaps and assess technical feasibility and local cost effectiveness of EWMPs.
- Engage in rule-making process.

Dauids & Thoreson said our automation is good. True Point Technology will help with accuracy, if the input is accurate. The monitoring and setting rates that help conservation will be a challenge. President Kamper thanked them for their presentation.

Consider authorization of additional engineering services by Stantec Engineering for Division 9 Project. Shields and Bologna said that some changes were made during the process to allow for private stubs that we did not anticipate at the beginning of the project. Also, we needed to add a more sophisticated communications system to insure that we could achieve all of the objectives that we wanted to accomplish such as control capabilities from our Main Canal Control Room and on-line viewing capabilities. Bologna said we want to add communications capabilities. Stantec has secured the services of Northern Digital, Inc., (NDI) who we have used in the past. The additional as quoted is \$473,765; NDI's portion of this is \$341,565. Director Holbrook asked if this will monitor water usage, and how much acreage do you anticipate will continue to flood irrigate. Mike Persak of Stantec said it will measure usage. Bologna said we estimate about 25% will continue flood irrigating. After discussion it was moved by Director Holbrook, seconded by Director Kuil, to authorize the change order as requested. Motion Carried, Ayes 4, Noes 1 with Director Roos voting No.

Discussion and possible action concerning changes to design of Lateral "Qo". Bologna said we have come up with some design options that could be considered which will result in a portion of the pipeline being transferred to the landowner. The plans can be

easily modified to reflect these changes without major expense. He recommended they authorize him to take the necessary steps to make the changes. Motion by Director Holbrook, seconded by Director Schulz, and unanimously carried to authorize staff to make the changes as recommended.

Consider funding budget increase for Mintier Harnish's contract for MSR. LAFCo was asked to expand the MSR to include retail electric service. The District asked Mintier Harnish to give a quote to add retail electric to the MSR. The quote is \$45,000. Emrick recommended approval. Motion by Director Kuil, seconded by Director Holbrook, to approve the additional \$45,000 as requested. Motion Carried, Ayes 4, Noes 1 with Director Schulz voting No.

Consider approval of the 2010 Budget. Stein said the total is as follows:

- Capital: 2009 Budget was \$20,206,100. The 2010 request is \$22,682,685. The 2010 budget includes items carried over from 2009 such as the Division 9 project. Also, there is \$14,000,000 in bond construction funds which will be used to pay for projects in 2010.
- Revenues: 2009 Budget was \$22,351,000. The 2010 request is \$21,587,320.
- Expenses: 2009 Budget was \$21,194,389. The 2010 Budget request is \$19,573,574.

Director Roos said the Finance Committee met with staff last week and went over the entire budget and feel it is a good budget. Roos asked if the CIT loss was in the expenses. Stein said it is listed under "Capital Gain or Loss on Investment" as required by GASB, additionally our auditors advise that we must recognize gains or losses on investments held on a monthly basis. He asked if the losses could be under a separate account and Stein said it could and he would add a new account. Thornburg explained changes in the Wellness Program, and the Class A and Boom Truck Bonuses. He said he is only asking for clarification in calculating the amounts paid. After discussion it was moved by Director Schulz, seconded by Director Holbrook, and unanimously carried to approve the budget as submitted.

Consider authorizing payment of \$250,000 for payment of LAFCo's costs for Independent Appraisal and Economic Review Plan of SSJID's plan to Provide Retail Electrical Service. Emrick said in the application, the District suggested that LAFCo get an independent review and agreed to pay for it. LAFCo went through a selection process in which it sought out input from SSJID and PG&E. It appointed a committee which has reached agreement on an independent expert. LAFCo intends to sign a contract and reveal its selection when the District has put up the money for the study. We have reviewed the scope of work and the expert's qualifications and can recommend approval. LAFCo has requested payment of \$190,000 for the estimated costs of the independent review, \$30,000 contingency and \$30,000 to cover LAFCo's administrative costs. Before LAFCo approves any costs in excess of that amount it will consult with the District, but the District will be responsible for additional costs. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried to approve the \$250,000 payment to LAFCo as recommended.

Reconsider authorization to pay annual ACWA dues. Shields said he talked to Tim Quinn, Executive Director of ACWA. He said that there will be two meetings held at the ACWA conference in San Diego next month to discuss the questions that have been raised. Director Holbrook recommended that the District send a letter to ACWA in the format provided by EBMUD and to hold off paying the ACWA dues until this matter is aired with ACWA. After discussion it was moved by Director Holbrook, seconded by Director Kuil, and unanimously carried to send the letter to ACWA.

Consider holiday work schedule. Shields said he recommends looking at a holiday incentive bonus rather than adding days since the holidays are on Fridays this year. He said we usually let the employees go a couple of hours early the day before the holiday. No action was taken.

Consider approving holiday incentive pay. After discussion it was moved by Director Schulz, seconded by Director Holbrook, to approve a \$500 holiday incentive pay to all employees, prorated by months served. Motion carried, Ayes 3, Noes 2 with Directors Roos and Kuil voting No.

President Kamper called for Manager's reports:

Shields reported:

- Passed out two studies on striped bass in the Delta.
- Said the Senior Citizen breakfast last Saturday was a success. They were very supportive of the District and appreciated our sponsoring the breakfast. Four directors, Holbrook, Kamper, Schulz and Roos attended.
- Tonight we will be participating in the annual telethon for the Boys and Girls Club. Along with Director Holbrook, Joe Catanzarite, Don Battles and Troylene Saylor and I will man the phone.
- Spoke to the Sunrise Rotary this morning.
- Spoke in Seattle to the Northwest Energy Coalition on Friday the 13th. Was guest speaker along with Congressman McDermott from Washington who is very familiar with the NMFS BiOp process and issues on the Columbia River, and I feel will be a good contact in Washington.
- PG&E was successful in getting SB695 passed which lifts the freeze on Tiers 1 and 2. PG&E has already applied with the PUC for a rate increase on Tier's 1 & 2 effective January 1st increase.

Hubkey reported:

- We switched from the upper intake to the lower intake yesterday, November 23rd.
- Saturday night a stolen car hit a power pole knocking out power at the WTP.
- The V-3 modules arrived. One crate was damaged with a fork lift, however GE is replacing the damaged modules.

President Kamper asked for Directors reports and comments:

- Kuil asked if we could use chlorine for algae control. Emrick said he will look into it.
- Holbrook said the San Joaquin County Flood Control Advisory Committee asked that the 2006 California Partnership for the San Joaquin Valley established by the Governor be observed.
- Asked that we send a letter supporting the West Side I.D. objection to revising their water rights. Shields said he and Emrick will review the records.
- Public comments are being taken on the Bureau of Reclamation's planning for the future of recreation at New Melones. Shields said Steve Knell, OID General Manager wrote a good letter regarding the 2009 BiOp and the fact that the USBR Recreation Plan doesn't address that BiOp. He will also write a letter.
- Kamper asked if the full Board could get copies of letters he and Jack Alpers sent to the USBR? Shields said they should be in the packet, if not he will make sure they are in the future.

President Kamper called for closed session: District Counsel Emrick said we will discuss the following in closed session.

- a. Conference with legal counsel, anticipated litigation, initiation of litigation, Gov. Code, S. 54956.9. Two cases.
- b. Conference with real property negotiator. Gov. Code, S. 54956.8.
Negotiating parties: District and Current Property owners; Albert Brocchini Farms, Inc. and Circle JM Properties, LLC. Property Descriptions: APN's 257-300-01 and 257-220-14. District Negotiators: General Manager and District Counsel. Under negotiation: Price and terms of payment.
- c. Public Employment: Gov. Code, S. 54957. Titles: Water Department Assistant Water Superintendent; Water Treatment Plant Operations

Supervisor; Assistant General Manager, Assistant Secretary, Collector and Treasurer. Data Management Technician

Upon returning from closed session District Counsel Emrick announced the following action was taken in closed session:

Motion by Director Schulz, seconded by Director Holbrook, to approve offer of \$35,000 per acre for the 7 acres owned by Albert Brocchini Farms, Inc.

Emrick said there was no other 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 Kuil, and unanimously carried to adjourn to December 15, 2009 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary