

Manteca, California
December 11, 2007

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 KUIL SCHULZ ROOS

Also present were Secretary/Manager Shields, District Counsel Emrick, District Engineer Gilton, Engineering Department Supervisor Bologna and Water Treatment Manager Hubkey.

President Kuil 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 presented.

CONSENT CALENDAR

- A. Approval of SSJID warrants of \$1,347,062.93 and payrolls of \$247,582.37.
- B. Approval of Regular Board Meeting Minutes of November 13, 2007.
- C. Adopt Resolution 07-17-F Updating signature cards with Guaranty Bank.

**SOUTH SAN JOAQUIN IRRIGATION DISTRICT
RESOLUTION 07-17-F
UPDATE SIGNATURE CARDS WITH GUARANTY FEDERAL BANK**

WHEREAS, the SOUTH SAN JOAQUIN IRRIGATION DISTRICT (District) must update its signature cards with its financial institutions.

RESOLVED, that any one of the following named Directors:

John Holbrook
Dave Kamper
Robert Schulz
Dale Kuil
Ralph Roos

and any one of the following named staff,

Jeffrey Shields, General Manager/Secretary
John Stein, Assistant General Manager/Assistant Secretary
Robin Giuntoli, Finance Supervisor

are authorized to co-sign checks, drafts, wires or other orders for and on behalf of the District from the bank designated as the District's Business Checking Account.

RESOLVED FURTHER, that any one of the above noted staff is authorized to sign PAYROLL checks, drafts, direct deposit wires or other orders for and on behalf of the District from the bank designated as the district's Business Checking Account.

- D. Adopt Resolution 07-18-W Resolution Confirming Jeffrey Shields authority to sign USBR Water Sale Agreement on behalf of the South San Joaquin Irrigation District.

**RESOLUTION NO 07-18-W
AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO
EXECUTE AGREEMENT WITH USBR**

WHEREAS, by action taken on September 28, 2007, the Board of Directors authorized the sale of 4,000 acre feet of water to the United States Bureau of

Reclamation for \$150.00 per acre foot and authorized execution of necessary documents, and

WHEREAS, the USBR has presented a form of Agreement entitled: “Agreement for the Acquisition of Water between the United States and South San Joaquin Irrigation District”, which has been duly executed by the USBR,

WHEREAS, the Board of Directors approves the proposed agreement,

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the General Manager, Jeff Shields, is authorized to enter into the proposed agreement with the USBR, and to invoice the USBR for the sum of \$600,000.

BE IT FURTHER RESOLVED AND ORDERED that the General Manager is authorized and directed to take all further action necessary to accomplish the foregoing.

E. Approve the following Service Abandonment Agreements.

Agreement #	Acreage	APN	Owner
1547	.88	227-030-20	Davis, Joe
1548	1.73	225-030-05	Klessens, Jacob
1549	.99	197-120-49	Rudd, H.
1550	.60	241-300-16	Harpinder, Thiara

Motion by Director Holbrook, seconded by Director Roos, to approve the Consent Calendar items as presented.

PASSED AND ADOPTED this 11th day of December 2007 by the following roll call vote:

Ayes:	Holbrook	Kamper	Kuil	Schulz	Roos
Noes:	None				

Presentation by Kjeldsen, Sinnock, Neudeck, Inc. (KSN) of City of Escalon’s Storm Drain Master Plan. Steve Sinnock and Mike Conrad of KSN gave a power point presentation of the plan.

After the presentation President Kuil asked for discussion and possible action concerning adoption of a Master Storm Drain Agreement with the City of Escalon. Director Holbrook asked if the plan included any improvements for Lone Tree Creek. Mr. Conrad said no, that San Joaquin County is responsible for maintenance of Lone Tree Creek. However, the detention basins will hold water until Lone Tree Creek is capable of handling the water from the ponds. Additionally, telemetry will be added at creek that will cause pump to shut off if the creek reaches maximum level. This will prevent overcharging District lines. Automatic shut off device will not allow discharge when the pipe is full. Director Kuil asked how much water can be retained in the ponds. Conrad said the ponds are built to hold a 10 year storm. Sinnock said the ponds should be able to handle most of the storms, but not all. However, ponds will not be drained until SSJID lines and drains have capacity in them to handle the pond water. Kuil asked about water quality. Sinnock said that water quality is addressed in the agreement, basically the same language as in the Manteca agreement. Gilton asked how low impact development affects SSJID. Conrad said it will help SSJID because there is less concrete/asphalt, and more grass and plants. Director Kuil asked if there will be requirements for sampling water. Gilton said the agreement requires going upstream until you find the contamination point. Bologna said in looking at fees we had to be able to justify Escalon charging fees. Annually we will be charging Escalon approximately \$17,000. Bologna said if we replace a line before development, we can have an agreement for reimbursement by the developer. Director Holbrook asked what the 36 month extension was at the end of 20 years. Emrick said that is so we can negotiate a new agreement, and have 36 months to do so. Director Kamper asked is the City of Escalon responsible for water quality. Bologna said the language is the same as the Manteca Agreement.

Motion by Director Schulz, seconded by Director Roos, and unanimously carried to adopt the Master Storm Drain Agreement with the City of Escalon with some language changes to be approved by the District Counsel, Steve Emrick.

Authorize General Manager to negotiate and select caulking contractor for repairs on the exterior east wall and floor of the WTP sludge lagoon #4. Hubkey said the sludge is leaking on the east end of the sludge ponds. He said he has a bid of \$15,000 and would like to have authority to accept other bid or bids if they are lower. He said Regional Water Quality Board was notified and is satisfied with our plan to repair the leak. Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried to approve the repair at a cost not to exceed \$15,000 as requested above.

Approve purchase of an eighteen circuit lighting panel at the WTP. Hubkey said the DAF pre-treatment motor control center is at capacity. In order to meet Department of Health requirements we need to have additional circuits. We requested three bids. Low bid was \$3,560 by Central Wholesale Electric. Hubkey recommends approval. Motion by Director Roos, seconded by Director Schulz, and unanimously carried to approve Central Wholesale Electric's bid of \$3,560 plus tax and shipping.

Consider creating and filling two Operators in Training positions at the WTP. Shields said the cities have agreed to fund the two new positions. Hubkey said the positions will require some math skills, but the rest we can train them to do. Position pays from \$41,000 to \$50,000 per year. After discussion the following action was taken. Motion by Director Holbrook, seconded by Director Kamper, and unanimously carried to approve the two new Operators in Training positions.

Water Treatment Plant Manager Hubkey reported the following:

Zenon has submitted a maintenance agreement to us.

Relative to the vacant T-3 position, we made an offer yesterday. The prospective employee is currently a T-2, and must be a T-3 within two year.

On December 27, 2007 Sun Technics will be connecting the solar to our electric supply system; this will require us to shut down the plant for eight to twelve hours.

Repairs on modules to date have taken 695 man hours.

Director Holbrook asked Hubkey about Ventura using a Zenon Z1000, and asked if it is the same as ours. Hubkey said no we use a Z2 and are looking at a Z3. Both the Z 2 and Z3 have more capacity than the Z1000.

Consider authorizing extension of the Master Encroachment Agreement with MID. Bologna said this agreement is the same as the PG&E agreement, with some differences. He said he would like to have a two month extension to work out the details with MID. Shields said he had talked to MID and they have no problems with the draft that cannot be easily worked out and recommends the Board approve the two month extension. Motion by Director Kamper, seconded by Director Holbrook, and unanimously carried to approve a two month extension as requested.

Consider approving C.G. Electric quote of \$4,716.22 to replace PG&E meter and relocate the breaker box. Shields said the meter is in the Gate Tower at Woodward Reservoir. You need to open three locks to get to the tower. This will move the meter to a pole at the steps of the walkway to the tower. Additionally, move the breaker box from the window frame above the light switch on a solid wall. Got three bids, C.G. Electric was the lowest and he recommends approval. Motion by Director Schulz, seconded by Director Kamper to authorize the General Manager to award the job as requested to C.G. Electric for \$4,716.22.

Director's reports of the Fall ACWA Conference.

Holbrook said there was emphasis on Crisis's that cannot be ignored. Such as Water availability and education of the public relative to water issues. He said he attended Ethics Training. Water Initiatives, (bonds) the problems are there is no one to control the funds and how they are to be issued. At one workshop Wildfires in Southern California where discussed. They are development of better plans for response was discussed, these plans could be modified for us to use in case of earthquakes or any other crisis we may have.

Kamper said he attended many of the same programs, said he attended Wellness with Blue Cross. He said he feels we need to look at a new wellness plan based on the presentation and his knowledge of our plan. Shields said that he will look into revising our plan.

Roos said he agreed with Holbrook on the Fire Program, and planning for fires that it could be used by us for various emergency plans. He said the Irrigation Caucus which he attended needs to be improved, there seems to be little interest in it.

Kuil said he attended one on Global Warming where it was stated that 80% of the ice will be melted by 2050. He said he also attended the Ethics training. He said Board members are required to go every two years, and asked who kept track of this. Shields said he would investigate.

Kuil said he has arranged with the Water Foundation to provide a large canvas sign to hang on a trailer which the Foundation is providing. Kuil said he is currently looking for a place to locate the trailer/sign.

Overall the consensus of the Board Members who attended was that it was a good and beneficial conference.

Consider cancelling or rescheduling second meeting in December. Motion by Director Roos, seconded by Director Holbrook, to cancel the December 25, 2007, and call a Special Meeting if necessary.

Discussion concerning Holiday scheduling. After discussion it was moved by Director Roos, seconded by Director Holbrook, to close the offices on December 24 and December 31, 2007. Additionally, to give all employees Holiday pay those two days. Motion Carried, Ayes 4, Noes 1 with Director Schulz voting No.

Consider approving Resolution No. 07-19-E, Reimbursement of Solar Project Expenditures. Shields said this resolution gives us the opportunity to reimburse funds spent on the Solar Project with bond money if we decide to bond. Greenrock is still interested in financing the project; however we may decide to pay for the project ourselves with a bond or with cash reserves. Motion by Director Kamper, Seconded by Director Holbrook adopt Resolution No. 07-19-E.

RESOLUTION NO. 07-19-E

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT REGARDING ITS INTENTION TO ISSUE TAX- EXEMPT OBLIGATIONS

WHEREAS, the Board of Directors of the South San Joaquin Irrigation District (the "Issuer") desires to finance the costs of acquiring, constructing, reconstruction and/or equipping certain public facilities and improvements described as a photovoltaic generation system with solar tracking, motor-driven panels located just west of Issuer's Nick C. DeGroot Water Treatment Plant on Dodds Road, Stanislaus County (the "Project");

WHEREAS, the Issuer intends to finance the acquisition, construction, reconstruction and/or equipping of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Issuer;

WHEREAS, the Board of Directors of the Issuer has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of the Obligations; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Issuer has contracted with SunTechnics Installation and Services, Inc. to construct the Project and to pay the contractor from District's cash reserves until issuance of the Obligations. The Project is designed to offset the electric power costs of Issuer's Water Treatment Plant under PG&E's net metering program.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$12,500,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Issuer will expend moneys for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

SECTION 4. The Issuer will make a reimbursement allocation, which is a written allocation that evidences the Issuer's use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. For Obligations subject to the small governmental issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended, the "eighteen-month limit" of the previous sentence is changed to "three years" and the "three-year limitation" of the previous sentence is not applicable.

SECTION 5. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 6. Each Expenditure will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.

SECTION 7. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No moneys from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 8. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 9. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation §1.150-2 and any other regulations of the

Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations.

SECTION 10. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

Passed and adopted this 11th day of December 2007 by the following roll call vote:

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

EXHIBIT A

DESCRIPTION OF PROJECT

The project to be financed consists facilities generate solar power to be owned and operated by, or on behalf of, the District, including all necessary legal, financial, architectural, environmental, design, engineering and contingent costs in connection therewith.

PASSED AND ADOPTED this 11th day of December 2007 by the following roll call vote:

Ayes: Holbrook Kamper Kuil Schulz Roos
Noes: None

Review and consider adopting the 2008 Capital Improvements and Additions (Capital); and the Operations and Maintenance Budgets (O & M). Shields ask for questions and gave a recap of the budget. Talked about the new accounting package, and how it will change the chart of accounts which was adopted in 1986. Board reviewed and subsequently took the following action: Motion by Director Schulz, seconded by Director Holbrook, and unanimously carried to approve the 2008 Capital of \$20,952,862, which includes \$2,215,000 for the Nick C. DeGroot Water Treatment Plant and \$10,050,000 for the Solar Project. And to adopt the 2008 O & M Budgets as follows: Irrigation and Administration: \$9,529,487; Water Treatment \$6,573,095; and Retail Power \$2,518,815 for total O&M of \$18,621,397.

General Manager's Report:

Shields reported the following:

At the Solar site next to the WTP a subcontractor's truck and 4WD ATV were stolen.

Employee District Recognition Dinner is at the River Mill on Friday, January 18, 2008.

Board of Supervisors, Stanislaus County, sent us a plaque recognizing Tri-Dam's 50th anniversary.

Handed out copy of the Ripon Chamber Newsletter.

Handed out sheets showing storage in the Tri-Dam system the last four years in December.

Year	Donnells	Beardsley	Tulloch
2007	17,300	21,651	55,411
2006	31,832	44,466	53,605
2005	35,300	45,810	55,026
2004	12,650	45,263	44,433

District is hosting Leadership Manteca tomorrow.

Groundwater Commission is at 10:30 a.m. tomorrow in Stockton.

Eminent Domain, it appears two initiatives will make the ballot either in June or November 2008.

Stockton East Water District, Central Irrigation District and North San Joaquin are looking at annexing land on the northern border of our District. In the past SSJID has opposed this. If you want to oppose it I will put it on the agenda. Consensus to put on agenda first meeting in January.

Director's reports:

Director Kamper asked about the SIDE Project and asked that we move ahead on it. After discussion it was the consensus of the Board that the SIDE Project and other means of better serving the farmers should be looked at and brought back to the Board.

Director Holbrook asked the former Utility Systems Director, now General Manager, about replacing the Utility Systems Director. Shields said he has talked to a couple of people. He is looking at part time since he is still here. Will probably come to the Board in the future with some options.

Director Holbrook said the Groundwater Banking Committee has money available and asked if we have looked at obtaining some. Shields said no but that he would investigate.

Director Roos asked if Engineering could come out and look at elevations on the canal by his home. Gilton said he would get ahold of him and come out sometime in the near future.

Director Kuil asked about looking at using solar power on District pumps. Shields said he would look into it.

President Kuil called for closed session. General Counsel Emrick said we will discuss the following items:

- a. Conference with legal counsel, existing litigation. Gov. Code, S. 54956.9. SSJID v. LAFCo, Superior Court-San Joaquin County, Case No. CV 030255.
- b. Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9 (b). Two cases.
- c. Conference with labor negotiator. Agency Negotiators: Lee Clark and Jeff Shields. Employee organization: IBEW local 1245.

Upon returning from closed session General Counsel Emrick reported no reportable action was taken in closed session.

There being no further business to come before the Board it was moved by Director Kamper, seconded by Director Roos, and unanimously carried to adjourn to January 8, 2008 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary