

Manteca, California
December 12, 2006

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: DEGROOT KAMPER ROOS SCHULZ KUIL

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

President Roos 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. SSJID Warrants of \$3,053,645.81 and payrolls of \$244,037.57.
- B. SSJID Regular Adjourned Board Meeting Minutes of November 28, 2006.

Motion by Director Kamper, seconded by Director Schulz, to approve the Consent Calendar Items as presented. Several typographical errors in the minutes were corrected.

PASSED AND ADOPTED this 12th day of December 2006 by the following roll call vote:

Ayes:	DeGroot	Kamper	Roos	Schulz	Kuil
Noes:	None				

Consider approving donations of sick leave by employees to the family of John Goeringer. Stroud said this will assist his family in purchasing health insurance through COBRA. Stroud said the hours are donated at the donating employee's hourly rate. Since we have no formal policy for this that is why we are asking. Motion by Director Schulz, seconded by Director Kuil, and unanimously carried, to approve employee's donation of sick leave to be used to purchase insurance for the Goeringer family.

Discussion and possible action concerning the District's employee death benefits policy. The recent deaths of John Goeringer and Ole Potter have caused renewed interest in updating the District's death benefits policy. There has been a suggestion that we raise the employee life insurance policy to \$100,000.00. After discussion it was the consensus of the Board to wait until MOU negotiations with the bargaining units to change the amount of life insurance. No action was taken.

Consider conditional approval of improvement plans and related documents pertaining to the Iron Gate Subdivision Project. This project involves improvements to portions of Laterals "V" & "Ufa". Bologna said this project is located west of Mohler Road; however the basin will be built east of Mohler Road. The basin will require moving the Ufa, and this will require having a hydraulic analysis done. Bologna said there is a way to avoid some of the work and expense by running a service from the V lateral. However, the developer's engineer showed no interest in this alternative. Bologna said there is no fiscal impact on the District, and he recommends authorizing conditional approval of the improvement plans; authorize execution of necessary documents subject to the following conditions and final approval by the District Engineer and General Manager:

- a) Developer shall submit improvement plans for the entire Irongate West Development to the Engineering Department for approval and comply with all standard requirements concerning replacement or protection of facilities that may be affected by this development in accordance with the Irongate West tentative map conditions adopted for the project.

- b) Developer shall convey new easements of adequate widths acceptable to District and enter into an Encroachment Agreement with the District for all proposed encroachments. In areas where the public agency has a prior right of way, the Developer shall secure easements from that agency on behalf of the District using our standard grant of easement form. The easement shall be exclusive and shall have priority over any other dedications. Temporary construction easements shall be obtained by developer as necessary to accommodate the construction of new facilities.
- c) Developer shall not build or develop in District easement until the replacement of this District's facilities has occurred.
- d) Developer shall insure that work involving District facilities shall be in accordance with District requirements and shall provide all supplemental plans and secure all required permits necessary to complete the project. Bonds shall be supplied as required to assure that the District is made whole and that the project will be constructed per approved plans without delay to water deliveries.
- e) Work shall be complete and pipeline operational prior to the next February 15th or such other deadline established by District. The work must commence such that it can be completed by the next February 15th. A daily damage charge applies thereafter until the work is accepted.
- f) Developer shall coordinate the replacement of private facilities and the encroachment of District facilities with the District to insure that work being performed does not interfere with water delivery schedules and shall notify District at least 48 hours prior to commencement of work so that District inspector will be able to inspect project to insure compliance with work items shown on plans.

After discussion the following action was taken: Motion by Director Kuil, seconded by Director Kamper, and unanimously carried, to conditionally approve the Iron Gate subdivision project plans as recommended with the conditions a) through f) listed above. Additionally, staff is directed to look into options for running lines off the V lateral.

President Roos asked for Managers' reports:

Stroud reported the following:

N.W. SIDE Project has been hit twice by burglars stealing copper wire. Estimated cost to repair is \$60,000. Also, Drop 8 on the Main Distribution Canal was hit. Estimated cost to repair is \$20,000. We are looking at different options to make sites less accessible and some other security measures, cameras, etc. Also, we are using 2 people to make a couple of runs a day on the MDC.

Tri-Dam meeting is December 21, 2006 in Oakdale.

Next SSJID meeting is scheduled for January 9, 2007; however we may need to call a Special Meeting between now and then.

Current staffing: We currently have one opening. Larry Smith, Division Manager on Division 5 left to accept a position at Shell Oil. We have about 10 employees out for various reasons including injuries, illness and jury duty. We currently have 5 temporary employees in the maintenance department to keep on the maintenance schedule, that level fluctuates based on needs.

Maintenance update:

Lateral A is 100% complete.

Lateral B is about 60% complete.

Started work on the U line December 4, 2006.

Mohler Brothers' work removing silt at the Van Groningen Reservoir is about 50% complete. Wet weather has temporarily halted work.

Hubkey reported the following:

Thanked Shields for his help with PG&E's bills.

Since going to the lower intake, unlike last year, no filters have failed. This may be due to the higher elevation at the reservoir, or the increased flushing this year or combination of both.

City of Tracy's water plant shut down for repairs. They are currently using SSJID water supplemented by a few wells.

City of Manteca has hired Kennedy Jenks to do a study on pH to see what might be done with their system to address occasional cloudy water complaints.

Meeting December 13, 2006 with the four cities.

Relative to John Goeringer's death on November 28, 2006, there has been no definitive cause determined to date. The Stanislaus County Sheriff/Coroner, Cal OSHA, and the District's Worker's Comp carrier are all investigating. We expect the Coroner's Report in 6 weeks or so, but the Cal OSHA report will probably take 6 months. Hubkey thanked all employees and directors for their help in dealing with the loss of John.

Shields reported the following:

Thanked the Board for their quick action on the Sick Leave adoption for John Goeringer's family.

Tri-Dam is receiving a lot of rain, but no snow to date.

ACWA Conference interesting workshops:

On power prices, projections are approximately 2.5% above inflation. We will need to look at our projections and adjust them to this. Maintenance and natural gas are driving the higher prices.

In regards to Solar power issue: have talked to three entities relative to a 1 – 2 megawatt system for the Treatment Plant. Deadline on applications for funding with the state are due by December 29, 2006. If we decide a project is feasible, we need to apply by the end of the year, and will need to call a special meeting in order to get your approval.

Directors reports on ACWA:

Director Kuil said the Water Quality program, relative to E Coli was very interesting. We may be required by the State to test the water we deliver. Director Kamper said we may want to voluntarily test our ag water because contaminated water could affect crops.

Director Schulz said the Region 4 meeting discussed the ACWA Budget of 8.4 million dollars. Asked if we could request a copy of the budget. Stein said he would.

Director Schulz asked about the status of the 6% interest they pay on loans from Districts for the building. Stein said he looked into that and there was a waiting list, which he put the District on. To date he has heard nothing. Stein said he would check current status.

President Roos called for closed session. General Counsel Emrick reported the Board will meet with their negotiator, Doug Johnson in closed session.

Conference with labor negotiator, Gov. Code, S. 54957.6 (a).

Agency designated representative: Doug Johnson

Employee Organizations: IBEW Local 1245 and Management Unit.

Upon returning from closed session President Roos announced that the Board has retained Doug Johnson as their labor negotiator until such time as we appoint someone else.

Review and consider approving the 2007 budget as submitted. Stroud reported the budget revenues increase is 14.1%, expense increased 2.6%, Water Treatment Plant decreased by 4.7%, and Retail Power O&M costs decreased by 6.6%. Capital increased by 46.1%. Stroud said the budget proposes three new changes major changes for 2007:

1. The addition of a second piping crew of six employees and associated equipment – which will increase O&M by \$489,000 annually, and Capital cost for new equipment around \$1,024,000.
2. The second one involves maintenance of drains and canal banks. We are recommending the purchase of a long reach excavator, and the addition of one heavy equipment operator. Cost for this approximately \$100,000 in expenses and \$300,000 for an excavator.
3. The addition of one shared employee for the shop and tool room to improve productivity and safety. With the vehicles and off road equipment added by the Water Treatment Plan the Shop's workload has increased to the point that we need additional personnel.

Additionally, we need to fill the SCADA Tech position recommended by Boyle Engineering a few years ago. This was included in the 2006 budget, but was not filled because the pay scales for the supervisor and this position need to be changed, currently the supervisor position is below the pay required to pay the SCADA position. Hopefully this will be resolved with the salary survey.

After considerable discussion the following action was taken:

Motion by Director Schulz, seconded by Director Kamper, and unanimously carried, to approve the budget as proposed with the following changes: Increase O&M for Retail Power by \$4,000,000; and Capital Improvements for Retail Power by \$6,000,000.

There being no further business to come before the Board it was moved by Director DeGroot, seconded by Director Kuil, and unanimously carried to adjourn to January 9, 2007 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary