

Manteca, California  
December 13, 2005

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           KUIL

                  ABSENT:       SCHULZ

Assistant Manager Stein reported that Director Schulz would not be attending today's meeting due to the flu.

Also present were Secretary/Manager Stroud, District Counsel Emrick, and Engineering Department Supervisor Bologna.

President Roos called the meeting to order and asked for public comment. Bob Barke of Overaa Construction asked if a check had been prepared for Overaa. Stroud said there are still approximately 30 items on the punch list developed between Overaa, Black & Veatch and the District that have not been resolved. Until they are addressed to our satisfaction, we not in a position to process the final payment.

President Roos asked the Board to consider approving the Consent Calendar Items as presented.

#### CONSENT CALENDAR

- A.     Approve SSJID Warrants of \$782,761.41, and Payrolls of \$194,323.74.
- B.     Approve Regular Adjourned Board Meeting Minutes of November 22, 2005.

Motion by Kamper, seconded by DeGroot, to approve the consent calendar items as presented.

PASSED AND ADOPTED this 13<sup>th</sup> day of December 2005 by the following roll call vote:

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

Authorize approval and signature of appurtenant documents for Dutra Estates Development. Bologna said the City of Manteca has signed the agreement. The Developer has signed the Developers Agreement. Bologna recommends the Board approve and authorize execution of all necessary documents subject to compliance with those special conditions and requirements referenced in Developers Agreement. Additionally, approval should be subject to the terms of the Out of District Drainage Agreement between the City of Manteca and SSJID. Motion by DeGroot, seconded by Kuil, and unanimously carried, to approve per Bologna's recommendations.

Discussion and possible action concerning construction & staffing at the Nick C. DeGroot Water Treatment Plant. Stroud introduced Rich Hartman, Assistant Manager/Chief Operator at the plant, Niles Fleege, of Fleege & Associates, and Ken Abrams of Black & Veatch (B&V). Fleege told the Board with the current number of employees the plant can't run at capacity continuously and keep up required maintenance. He said we need to hire an additional 4 operators, at least DHS Grade III, an Instrument Technician, and two full time laborers or operator trainees. Currently we have two temps working as laborers, thus the net cost for the laborers will be approximately the same. Additionally we need one more electric car and two more pickups to fill current transportation need, and for the additional employees. Stroud said

the draft budget does not reflect these changes, but will be updated as needed to reflect Board direction on this request. Ken Abrams said this is the largest membrane plant in the U.S. and Canada. However, three more large membrane plants will be built in the next two years, and we will be competing for our people. Thus, we will have to look at increasing wages and benefits to be – and stay - competitive. After discussion, it was moved by DeGroot, seconded by Kuil, and unanimously carried, to approve the new staffing positions as requested. Additionally, to look at a used electric car, if one can be found that fits the need at the plant, and to transfer excess pickups to the treatment plant to help with transportation in the short term.

Discussion and possible action concerning the 2006 Budget. The Board went over the Capital Budget with Operations Superintendent Morrow and Assistant Water Superintendent Haggard. They agreed with the jobs requested and President Roos thanked both Morrow and Haggard for the great job they have done this year with the irrigation department. The Board reviewed the O&M budget and asked that it be modified and changed to more accurately reflect prior experience. No action was taken.

President Roos called a recess for lunch. Director Kuil said he would be unable to attend the afternoon session.

Upon returning from lunch, President Roos then asked the Board to consider approving the updated job specifications presented in the agenda package for Field Maintenance Superintendent position. Motion by Kamper, seconded by Roos, and unanimously carried to approve the new position specification as requested.

General Manager's report:

Stroud reported:

Valley Oak Residential Treatment Center and PG&E, along with SSJID, are working to be annexed into the City of Manteca in order to be connected to the City's domestic water system.

A new box is being installed on Travaille's property to replace the old C structure. The agreement to meet the needs of the District, Travaille, and Reece is now being drafted.

Tri-Dam will meet here on Thursday, December 15, 2005 at 9:00 a.m.

There will not be another Board meeting this month.

The Regional Water Quality Control Board extended the current Ag Waiver program 6 months.

Master Drain Agreement with Manteca is nearly complete. Should have ready for Board approval at the next meeting.

Due to the low water level at Woodward Reservoir, we are switching to the lower intake at Woodward Reservoir. We have had a couple of complaints about the ban on body contact recreation, but nothing significant. When we explain the reason, most people are very understanding.

Relative to the Manteca (M-2) Pump Station, and clean up of the adjacent lot, we have a couple of proposals to do the cleanup work, low bid is \$8,000. City of Manteca is looking at doing the work with its own staff to save the cost.

Reviewed the 2005 Crop Reports. There were no significant changes in crops or acreage from 2004

Directors' reports:

Kamper asked about a "winter irrigation run"? Stroud said that Woodward is less than half full and we need to keep enough water to meet city demands. He said the Gable

tunnel work is not scheduled to be done before mid February. The time to actually run water from Goodwin, it could take up to a week to remove construction equipment out of the Tunnel, then move the equipment back in, and clean up the debris left from running water. The delay in completion of the Gable tunnel work would be a minimum of one week plus the days actually used for running water down.

Retail Power Report:

Shields reported:

PG&E may be on thin ice by saying we will damage them if we take over their system.

Meters not read. Approximately 2 years ago PG&E failed to read meters because they said they could not locate them. (This was even though the meters had been read for years, never moved) The PUC got involved at our request, but refused to do anything. Now the PUC is going to have hearings on this very matter.

Relative to Automated Metering; PG&E agreed not to put automated meters during the testing phase in SMUD and SSJID service areas. The CPUC is now holding hearings on the full implementation program and SSJID will participate in this proceeding to protect the District from unnecessary costs.

PG&E filed its 2007 General Rate Case. We will monitor this case as it unfolds and report to the Board on the impacts to the District and the local community.

President Roos called for closed session. General Counsel Emrick reported we would be looking at items a, b, c, and d. in closed session.

- a. Conference with legal counsel, existing litigation, Delta Keeper v. SSJID. Gov Code S. 54956.9.
- b. Conference with legal counsel, anticipated litigation, initiation of litigation, Gov. Code, S. 54956.9 ( c ). Two cases.
- c. Conference with legal Counsel, anticipated litigation, significant exposure to litigation. Gov. Code, S. 54956.9. Three cases.
- d. Conference with real property negotiator. Property: A portion of APN 208-060-11. Negotiating Parties: SSJID & property owner. Under negotiation: Price & Terms of payment. Agency Negotiators: Shields and Emrick.

Upon returning from closed session General Counsel Emrick reported the following action was taken in closed session.

Motion by Kamper, seconded by DeGroot, and unanimously carried, authorized counsel to file an appeal of the attorney's fee ruling in the Delta Keeper Case.

There being no further business to come before the Board it was moved by DeGroot, seconded by Kamper, and unanimously carried, to adjourn to January 10, 2006 at 9:00 a.m.

ATTEST:

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John Stein, Assistant Secretary