

Manteca, California
December 14, 2004

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 SCHULZ ROOS KUIL

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

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

Director Roos left at 9:10 a.m.

CONSENT CALENDAR

A. SSJID Warrant of \$2,986,270.50.

B. Minutes of November 23, 2004.

Motion by Kuil, seconded by DeGroot, to approve the Consent Calendar items as presented.

PASSED AND ADOPTED this 14th day of December 2004 by the following roll call vote:

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

Director Roos returned at 9:20 a.m.

Consider approving land purchase request from Meritage Homes for the Fulton Avenue Road Improvements in Ripon. Bologna said the District owns in Fee a 50 strip of land, which Lateral Va utilizes. The developer wants to purchase the strip from the District. The Developer provided an appraisal for the land of \$35,000 per acre. The Board asked Mike Evans of Meritage, if this is what he paid for the rest of the land in this development. He said no; he paid \$55,000 per acre for the land two years ago. Motion by Roos, seconded by Kuil, and unanimously carried, to set the value of the land at \$55,000, not \$35,000, and instruct the Engineering Department Staff to calculate the price based on \$55,000 per acre.

Mike Silva, Mitchell Engineering addressed the Board under public comment. He said he has a proposal from a contractor to repair the undermined pipe for \$60,425. He said we are holding \$200,000 and would like the difference released. He said he has not provided a copy to Black & Veatch, as is required, but would do so right away.

Consider request by homeowner, Steve Graham for an Encroachment within a portion of the easement for Lateral "U" in Ripon. Bologna said the city of Ripon issued a building permit to Mr. Graham without checking for easements. When the contractor did the USA, the District's Inspector found the house foundation forms were within a portion of Lateral "U" Easement. Mr. Graham's property backs up to the golf course. Bologna recommends approval of an Encroachment subject to:

1. Owner shall secure from the City of Ripon in form acceptable to the District a Permanent Temporary Construction Easement agreement granting District room to work within the access road on Jack Tone Golf Course when

- replacing making major repairs to the pipeline so as to avoid damage to the proposed Graham residence.
2. Owner shall submit a detailed plan showing all proposed encroachments and provide evidence from a licensed structural engineer demonstrating acceptable design of a foundation for the house capable of withstanding normal pipeline maintenance and repair activities associated with the house being located approximately 9 feet from the edge of the pipeline.
 3. Owner shall sign a modified Encroachment Agreement in which Owner assumes responsibility for any and all damages that may occur as a result of the Encroachment. The Agreement will be recorded with the County.
 4. Owner shall submit an application for the Encroachment and pay fees in accordance with District policy.

Motion by Roos, seconded by Kamper, and unanimously carried, to approve the Encroachment Agreement subject to the recommendations above.

Consider conditional approval of Randy Thomas Development in Escalon and authorize the signature of improvement plans, final map, and related documents pertaining to the project, subject to compliance with specified requirements. Bologna recommends approval and execution of necessary documents subject to compliance with special conditions and requirement in Exhibit C of the Developer Agreement. Schulz asked if the work could be completed by February 15, 2005. Bologna said he feels they can. He said the cost to the District is \$30,240. Motion by Kuil, seconded by DeGroot, and unanimously carried, to approve and authorize execution of necessary documents subject to the recommendations above.

Consider conditional approval of the Antigua Unit #1 & 2 Development in Manteca and authorize the signature of improvement plans, final map, and related documents pertaining to the project subject to compliance with specified requirements. Bologna said the Developer wants to purchase three parcels. The cost, based on \$100,000 per acre, is \$118,750. Ron Cheek of RLC Engineering, representing the Developer asked if the Board would consider donating one parcel, at \$41,250 since it is used as an access by homes and will become a city street and also suggested increasing the price for one of the parcels by \$2,000. Bologna recommends approval to sell the three parcels to the developer for \$118,750, which includes the \$2,000 increase, to approve the project and execution of necessary documents subject to compliance with those special conditions and requirements of the Developers Agreement. Motion by Kuil, seconded by Kamper, to approve as recommended and to authorize execution of all necessary documents, to increase the price of parcel 2 by \$2,000, and to deny the request to donate parcel 1 to the City.

Motion carried, 4 Ayes, 1 No with Director DeGroot voting No.

Consider approving the reduction in retainers for Pipeline Reaches 3, 4 and 5 from 5% of the value of completed work to twice the value of the punch list of remaining work. Kreinberg said the money is currently in retention accounts at various banks as selected by the contractors and he recommends approving the reduction and authorizing execution of documents. Motion by Kamper, seconded by Roos, and unanimously carried, to approve as requested.

Consider approving Certificate of Acceptance for deed from Marion E. Mitchell, Trustee. Also, authorize the signature of Purchase Agreement and Certificate of Acceptance. Emrick asked that the Board authorize the General Manager to sign the Purchase Agreement and Certificate of Acceptance accepting the Grant Deed. The price and other terms of the purchase are consistent with the negotiating authority previously granted by the Board. Motion by Kuil, seconded by Kamper, to approve the acceptance of the deed as requested, and authorize execution of necessary documents. Motion carried, 4 Ayes, 1 No with Director Roos voting No.

Consider authorizing purchase order to Wagner Mechanical for labor and materials to install two gas regulators and one gas meter. Gilton said the District per direction of the Air Quality Control Board must install a gas meter, and due to failure of the gas

regulators, two new regulators. The lowest total bid is \$3,705.00. Gilton recommended approval. Motion by DeGroot, seconded by Kuil, to approve the purchase of two gas regulators and a gas meter, and authorize Wagner Mechanical to install them at a cost of \$3,705.00. Motion Carried, 3 Ayes, 1 No, with Directors Kamper and Roos voting No.

Consider approval of District 2005 Budget for Capital, Revenues, and Expenses. Stroud said a couple of major changes from last year are: Revenue from Tri Dam is up considerably, and two new District positions are being budgeted for : Environmental Compliance Officer, and a SCADA Technician. Additionally, Stroud reported the operating budget for the Water Treatment Plant (the WTP) is not complete, so it is not available at this time. Approximately \$300,000 is budgeted by the District as revenue from the WTP for overhead and other District costs to support the WTP. After discussion it was moved by Roos, seconded by Kuil, to approve the 2005 budget as submitted. Motion Carried, 4 Ayes, 1 No, with Director Kamper voting No.

Consider purchase of a concrete pump. Stroud said the bids on new pumps run from \$48,742 to \$55,188, which include trade in on our old pump. The cost of renting a pump while waiting for delivery of a new pump would effectively add \$10,500 to the cost. He said we are currently renting a Model B70 and could buy it for \$45,720 and he recommends doing so. Motion by Kamper, seconded by DeGroot, and unanimously carried, to approve purchase of the used Model B70 at a price of \$45,720.

Consider canceling the December 28, 2004 Regular Adjourned Board Meeting. After discussion it was the consensus of the Board to cancel the meeting on December 28, 2004.

Managers' reports:

Stroud reported the following:

Bill Hubkey, Water Treatment Plant Manager started work December 13, 2004.

December 16, 2004 is the Tri-Dam meeting at OID.

January 17th PG&E will give a presentation to the Escalon City Council, and we have been asked by the City of Escalon to give a presentation on SSJID retail electric plans at that meeting.

Stockton Ag Expo January 17th through the 20th.

Zenon recommends sending the WTP Manager and 1 or 2 key operators to a plant in Collingwood, Canada for hands on training before startup at our plant.

Relative to VAMP "true-up", Modesto ID just advised they want money rather than water. Merced and Turlock ID's also want money. Payment will be processed on the next check run, approximately \$77,000.

Shields reported the inventory of PG&E's assets will be done on December 17th. He showed a newscast from Channel 2 in Los Angeles relative to the PUC.

Directors' reports:

Roos said City of Ripon is drilling a well west of Ripon and has the drilling rigs parked on our pipeline, between Mohler and Highland, and Doak and West Ripon Roads. Stroud said he would have it checked out.

President Schulz called for Closed Session. District Counsel Emrick announced items a) b) and c) will be discussed in closed session.

Conference with legal counsel, existing litigation, Gov. Code, S. 54956.9. Delta Keeper vs. SSJID

Conference with legal counsel, anticipated litigation, initiation of litigation, Gov. Code, S. 54956.9 (c). Two cases.

Conference with legal counsel, anticipated litigation, significant exposure to litigation. Gov Code, S. 54956.9. Three Cases.

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

Motion by DeGroot, second by Kuil, and unanimously carried, to approve payment of the claims of the Defense Logistics Agency in the amount of \$7,626.84 for damaged monitoring wells and of George Perry, in the amount of \$6,844.10 for loss of tomatoes on 3.93 acres on APN 213-290-02.

There being no further business to come before the Board it was moved by DeGroot, seconded by Kuil, and unanimously carried, to adjourn to January 11, 2005 at 9:00 a.m.

ATTEST:

John Stein, Assistant Secretary