

MINUTES

Oakdale, California
June 1, 2010

The Board of Directors of the Oakdale Irrigation District invited all to recite the Pledge of Allegiance and then met in Regular Session at the hour of 9:06 a.m. Upon roll call, there were present:

Directors: Al Bairos, Jr., President
Frank B. Clark, Vice President
Jack D. Alpers
Steve Webb
Herman Doornenbal

Staff Present: Steve Knell, General Manager/Secretary
Kathy Cook, Chief Financial Officer
Jason Jones, Support Services Manager
Eric Thorburn, Associate Engineer

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions to the Agenda

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

General Manager Steve Knell requested that a portion of Item 19A be heard following the Consent Calendar.

At the hour of 9:06 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There being no Public Comment; Public Comment closed at 9:06 a.m. and the Board Meeting continued.

Director Clark requested that Item No. 6 be pulled from the Consent Calendar; and Director Webb requested that Item Nos. 11 and 12 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 7, 8, 9, 10, 13, 14, 15

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS' MINUTES OF
THE REGULAR MEETING OF MAY 18, 2010 AND RESOLUTION
NOS. 2010-23, 2010-24, 2010-25, 2010-26, 2010-27 AND 2010-28

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of May 18, 2010 and Resolution Nos. 2010-23, 2010-24, 2010-25, 2010-26, 2010-27, and 2010-28.

ITEM NO. 4
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Oakdale Irrigation District Statement of Obligations.

ITEM NO. 5
APPROVE IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Improvement District Statement of Obligations.

ITEM NO. 7
APPROVE ASSIGNMENT OF
CAPITAL WORK ORDER NUMBERS

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the assignment of the following capital work order numbers:

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Messinger Lateral	Install a new Briggs precast turnout structure, a new 12" 101C slide gate and appurtenances.	\$8,500	2010-026
Lower Cometa	Install new crossing, new precast drop structure, and 15" 101C slide gate and appurtenances.	\$18,500	2010-027
Kemper Drain	Install precast weir, turnout, 12" 101C slide gate, stilling and appurtenances.	\$27,000	2010-028

ITEM NO. 8
APPROVE PURCHASE OF SEVEN (7) FILING CABINETS
FOR ADMINISTRATION VAULT AND FOUR (4) FILING
CABINETS FOR ENGINEERING (BUDGETED ITEMS)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the purchase of seven (7) filing cabinets for Administration Vault and four (4) filing cabinets for Engineering (budgeted items).

ITEM NO. 9
APPROVE RESOLUTION TO
SURPLUS DISTRICT PROPERTY

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Resolution to Surplus District Property.

ITEM NO. 10
APPROVE GENERAL SERVICE AGREEMENTS FOR
VARIOUS VENDORS/CONTRACTORS (HAZARD MANAGEMENT SERVICES,
INC., AND INTEGRATED TELECOM SOLUTIONS AND NORTHERN STEEL, INC.)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the General Services Agreement for Various Vendors/Contractors (Hazard Management Services, Inc., Integrated Telecom Solutions, and Northern Steel, Inc.).

ITEM NO. 13
APPROVE REQUEST AUTHORIZING GENERAL
MANAGER TO EXECUTE AN AUCTION
AGREEMENT WITH THE AUCTION PARK MODESTO

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve Request Authorizing General Manager to Execute an Auction Agreement with The Auction Park Modesto.

ITEM NO. 14
APPROVE NOTICE OF COMPLETION FOR
THE NORTH SIDE REGULATING RESERVOIR

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Notice of completion for the North Side Regulating Reservoir.

ITEM NO. 15
APPROVE ENCROACHMENT AGREEMENT ON
THE TENANT PIPELINE (APN: 014-049-006 – NYDAHL)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Tenant Pipeline (APN: 014-049-006 – Nydahl).

ACTION CALENDAR
ITEMS NOS. 6, 11, 12

ITEM NO. 6
APPROVE RESOLUTION OF THE BOARD OF
DIRECTORS OF THE OAKDALE IRRIGATION DISTRICT
APPROVING A FIRST AMENDMENT TO INSTALLMENT SALE
AGREEMENT MAKING CERTAIN DETERMINATIONS RELATING THERETO;
AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

Director Clark stated that he pulled this item to make sure that it was reviewed by General Counsel prior to execution of the documents.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Resolution of the Board of Directors of the Oakdale Irrigation Approving a First Amendment to Installment Sale Agreement Making Certain Determinations Relating Thereto; and Authorizing Certain Other Actions in Connection Therewith contingent upon General Counsel's review.

ITEM NO. 11
APPROVE PROFESSIONAL SERVICES
AGREEMENTS FOR VARIOUS CONSULTANTS
AND VENDORS (ASTONE, HOLDREGE AND KULL,
AND BUMGARDNER BIOLOGICAL CONSULTING)

Director Webb asked if there were any changes in the rates being charged on the Professional Services Agreements. General Manager Steve Knell stated that all rates are remaining the same.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Professional Services Agreements for Various Consultants and Vendors (ASTONE, Holdrege and Kull, and Bumgardner Biological Consulting).

ITEM NO. 12
APPROVE AMENDMENT NO. 02 TO PROFESSIONAL
SERVICES AGREEMENT 2008-PSA-007 WITH BOUTIN
GIBSON DI GIUSTO HODELL INC. FOR REVISED RATES

Director Webb asked if the fees were changing on the Professional Services Agreement. General Manager Steve Knell stated that the only change to the PSA is the addition of an Associate to their list.

Director Clark asked the General Manager Steve Knell if has been satisfied with the legal services provided by Boutin Gibson Di Giusto Hodell Inc. concerning the personnel matters. General Manager Steve Knell responded yes.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve Amendment No. 02 to Professional Services Agreement 2008-PSA-007 with Boutin Gibson Di Giusto Hodell, Inc.

ITEM NO. 19
COMMUNICATIONS

A. GENERAL MANAGER'S REPORT – Dan Pope, Tri-Dam Project General Manager

General Manager Dan Pope from Tri-Dam Project was present at the meeting to update the Directors on Tri-Dam Project. He stated that Donnells has been in continuous generation since May 2, 2010. He stated that the power market is still slightly depressed but believes that it will pick up. The Northwest is having a drought and therefore the power market will be looking to California to purchase power and the price should go up.

General Manager Dan Pope stated that all hydro units are up and running; however, Tulloch is down a little bit due to VAMP water being down.

General Manager Dan Pope stated that at the last Tri-Dam Board meeting he advised the Directors that some type of coffer dam is going to be necessary at the new generation unit site at Tulloch. He stated that he has received a preliminary estimate and it is higher than he originally thought and is around 1.8 million. He has a meeting with the contractor/developer following the board meeting to go over the contract. He stated that SSJID's Board meeting is scheduled for next Tuesday and he would like a quorum from OID to be present so that a joint meeting can be held to discuss this issue.

General Manager Dan Pope left the meeting and the meeting returned to the Action Calendar.

**ACTION CALENDAR
ITEM NOS. 16, 17, 18**

**ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION TO APPROVE
IMPLEMENTATION OF A DEMONSTRATION PROJECT FOR TCC
(TOTAL CHANNEL CONTROL) BY RUBICON SYSTEMS AMERICA, INC.**

The Rubicon Systems' proposal was discussed at the Board meeting of May 18th. The proposal offers OID a unique opportunity to implement, test and see the benefits of moving to a downstream control water system. Downstream control is a means to substantially eliminate lateral canal spill and provide a high end customer service benefit (minimized lateral fluctuations) at the turn-out gate, thereby assisting in better on-farm water control and higher on-farm efficiency. An added plus of the proposal would be the installation of a half dozen automated turn-outs to some landowners who could test and experience on-demand ordering and shut off of water orders; the highest level of system control.

OID has been a gate purchaser of Rubicon's for nearly 5 years and has about 30 of their hardware packages in operation. The Rubicon proposal is to install approximately 37 gates on the Claribel and Cometa Laterals over the next 1 to 2 years and integrate gate operation with their TCC technology. This will entail replacing gates with gates and in some instances older structures will need to be replaced to accommodate the new gates. Old hardware will be salvaged and re-used where appropriate in the OID system. The downside risk for stranded costs on these hardware items would be negligible.

Software and systems equipment would be in a similar position. The servers, computers, antennas, connectors, etc. would nearly all be reusable. Software licenses and such provided by Rubicon are a no cost item and would not be a stranded cost. The real potential for stranded cost rests in dedicated training, project management staff time and some specialized equipment costs. This potential stranded cost could be as high as \$250,000.

The upside risk could be the beginnings of a highly efficient water management system with enhanced customer service benefits and offering the highest level of water control.

Staff recommends that as part of the approval process that the monies afforded to do this work be directed to come from bond proceeds. The low project costs incurred to date have generated a surplus of monies in which to approve additional capital works not previously scheduled. This demonstration/pilot project description and costs fit within the definition of capital improvements for which the expenditure of these bond funds would be appropriate.

Trevor Boomstra, CEO of Rubicon Systems, America, Inc. was present at the hearing.

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve the implementation of a Demonstration Project for TCC (Total Channel Control) by Rubicon Systems America, Inc.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION ON THE OAKDALE
IRRIGATION DISTRICT IMPROVEMENT DISTRICT'S 2009 ANNUAL
FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2009

The Improvement District's annual financial reporting framework is not in the GASB Statement No. 34 format. This year's annual report includes comparative financial reports.

Staff was present at the board meeting to answer questions.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Oakdale Irrigation District Improvement District's 2009 Annual Financial Report for the Year Ended December 31, 2009.

ITEM NO. 18
REVIEW AND TAKE POSSIBLE ACTION TO SUPPORT
A REVIEW OF THE DECISION MADE IN THE CASE OF
SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER
AUTHORITY, ET AL. V. STATE WATER RESOURCES CONTROL
BOARD, ET AL. BY THE CALIFORNIA SUPREME COURT

General Manager Steve Knell provided information regarding the Decision made in the case of *San Joaquin River Exchange Contractors Water Authority, et al. v. State Water Resources Control Board, et al.* to the Board of Directors for their review and comment.

After a discussion, a motion was made by Director Webb, seconded by Director Clark, and unanimously supported to direct the General Manager to write a letter requesting a review by the California Supreme Court of the decision made in the case of *San Joaquin River Exchange Contractors Water Authority, et al. v. State Water Resources Control Board, et al.*

ITEM NO. 19
COMMUNICATIONS

A. **GENERAL MANAGERS REPORT**

Safety Activities

1. 505 days without a lost-time injury accident.

Administration Activities

1. Water Engineering Committee, Personnel Committee and Finance Committee all met since the last Board meeting.
2. Wrote an Opinion Editorial on Predation and on our SavetheStan program with SSJID.
3. Dealing with responses to web inquiries from SavetheStan.
4. Vern Crow with ASTONE has scheduled a meeting with the Bee's Editorial Board on June 30th.
5. June 18th is family night at the Modesto Nuts game.

6. The OID Awards Banquet and Holiday Party is scheduled for December 11th at the Oakdale Golf and Country Club.
7. We have no Directors that have indicated they are going to the APPA Conference in Orlando, Florida
8. Legal Activities:
 - a. Knights Ferry-Judges written decision provided May 20th. Working with Bill and Tim on decision and next steps.
 - b. Mangante-no change
 - c. Lubbers-Court date set for Spring of 2011
 - d. Honchariw-no change
 - e. ID52 – no change
 - f. Coalition for Fair Contracting filed a claim against OID on the South Main Construction Project with Magorian Mines

Contract and Special Project Activities

1. South Main Canal and Tunnel Projects – Received a notification of a complaint filed with the Labor Board against Magorian Mine Services. Notice forward to legal counsel for review.
2. 2-Mile Bar Tunnel (CEQA & Engineering) – CH2MHILL continues with the CEQA process compiling the necessary Mitigated Negative Declaration documentation for submittal to the USFWS. CH2MHILL and OID are awaiting USFWS comments on the Technical Memo sent to them in March. Discussions with the Hodgdon Enterprise landowners will begin with the Board's direction being provided. The District has responded to the Marie Atherton Trust series of questions and the responses are being reviewed by the Marie Atherton Trust beneficiaries.
3. North Side Regulating Reservoir – The final grading, continuity testing and clean up was completed on May 28, 2010 and the project work for Floyd Johnston Construction has been completed. The final construction activity, the electrical supply from PG&E, is scheduled for the week of June 21, 2010.
4. Cashman Dam Rehabilitation Project – TCB Industrial has initiated the Dispute Resolution clause of the contract for close out of the final change orders. A final offer was submitted to TCB on May 21, 2010 with a response expected by the Close of Business on May 28, 2010. If the offer is rejected, mediation will be set up for the end of July.
5. Contract close out on the winter projects continues. The South Main Canal and Tunnels project has been closed. The North Side Regulating Reservoir Project will be closed, except for the Retention Payment, by June 11, 2010. The Cashman Dam Rehabilitation project will be open until mid August until the Change Orders are finalized.
6. A Construction Project Administration and a Concrete Quality Control program continued with the Contracts and Engineering Department. Also, the development of a Construction Administration Manual continued.
7. Development of the 5-Year Capital Improvements Program was completed and submitted to the General Manager for review.
8. Contract Administration activities on contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction Activities

1. Conducting routine maintenance on District Facilities.

2. Performance Evaluation preparation.
3. Conducting various landowner meetings in regards to maintenance and gaining back drive able access.
4. Processing Job Set Up Forms from the Water Department.
5. District crews are currently gaining back drive able access on the following Laterals: South Main, Riverbank Lateral, South Lateral, Burnett Lateral, & Kearney Lateral.
6. Conducted written test for the two vacant Leadman positions that have been posted in-house.
7. Met with Jim Brunk regarding additional dirt available on his property. Rough estimate is that there is another 100K yards of material.
8. Met with Andrew Napier regarding a dirt site on the south side of the District. A dirt source on the south side of the District would greatly reduce the trucking time and increase productivity.

Engineering Activities

1. V.A. Rodden – Annexation Agreement revisions complete. DRAFT LAFCO Application complete. 1st baseline biological assessment completed 4/29/10. Diane said it was still a bit wet and so they will make a second visit this week. Summary report should be completed around this week. CEQA can't move forward until the baseline biological assessment has been completed. Email communication with Ms. Moore dated 5/10/10 indicates that there are no biological issues of concern on the site.
2. Ongoing project management with Provost and Prichard. Weekly meetings held every Thursday.
3. Joslin – DRAFT LAFCO Application complete. Baseline biological assessment completed by Diane Moore on 4/29/10. Email communication with Ms. Moore dated 5/3/10 indicates that the site is biologically unremarkable. Summary report should be completed this week.
4. Furtado Deep Well Site Project – Trying to resolve well drilling complications with Mr. Nielsen and Mr. Kamper. One (1) title exclusion for oil, gas and mineral rights still being resolved with Chicago Title before we can close escrow. Water Utilities has sent off DWR Drill Log request and we haven't received a response to date.
5. Honolulu Bar Mitigation Project – All permit applications have been deemed complete (i.e. 401, 404, LSBAA, Corp Lease, State Lands, etc.). Project moving forward, numerous issues being addressed, namely O&M and M&M Plans with USACOE. Still on track for July 2010 construction start date. Estimated cost overruns being reviewed by Staff.
6. Continued Environmental assistance with Two Mile Bar Tunnel Project. Request for Consultation and Biological Tech Memo submitted to Maryann Owens with USFWS on 3/2/10. Additional Tech Memo submitted to Maryann as requested and have received no feedback to date. MND being prepared for circulation.
7. Willms Ranch – Legal Counsel Review
8. Postma – Encroachment Agreement awaiting signature.
9. Stueve – Encroachment Agreement awaiting signature.
10. Patterson Deed – Procedural requirements for surplus property complete as set-forth by Counsel. Staff preparing summary of alternatives for subsequent Water Committee review at their June 15, 2010 meeting.

11. Fringe Parcel Analysis – Met with Water Committee on 5/18/10. Subsequent correspondence sent to two (2) of the three (3) parcels reviewed. Next three (3) parcels will be reviewed by the Water Committee at their June 15, 2010 meeting.
12. Martin Dairy Encroachments – On-site meeting held 5/20/10. D&M backhoe proceeding as necessary. Staff to process Encroachment Agreement for existing infrastructure.
13. Knights Ferry – Costs estimates and alignments reviewed by BOD on 5/18/10. No further action until directed to do so. Wills Lateral off North Main alignment has been surveyed, pipe sized/delivered and preliminary meetings have been held with Ms. Boatright. Second meeting with Ms. Boatright and her partner was held 4/5/10. Staff proposal reviewed by Water Committee on 5/18/10.
14. SCADA – Assisting Mr. Davis as necessary.
15. Boundary Flow Measurement – May flow data to be downloaded this week.
16. Honchariw – Legal Counsel Review.
17. Claribel Lateral Drain Water Measurement – Sontek meter installed and fully operational as of 5/26/10.
18. Rubicon – Misc. analysis/review/troubleshooting/meetings as necessary.
19. Ms. Sally Davis was a presenter for the Sierra View Ag Day Round-up.
20. North Main Canal Flow Measurement – Working with Water Department on flow measurement discrepancies as necessary (i.e. Tri-Dam/OID).
21. Frymire Headgate – Working with Water Department, Tri-Dam and Mr. Davis to address what needs to be done to integrate control of the headgate into OID's system.
22. OID Engineering Department working on misc. designs for the 2010/2011 winter work season.
23. Processing numerous requests for information and CEQA - Early Consultation reviews.
24. North Side Regulating Reservoir – PG&E set for service connection the week of June 21, 2010.
25. JBD attended STANCO Ground Water Exportation Stakeholders Meeting in Modesto on 5/20/10. Productive meeting, appears that our comments have been well received. Staff to comment further and return to STANCO for further iterations.

Water Operations Activities

1. Irrigations moved to a 12-day rotations on the 26th/27th of May.
2. Still low water deliveries but temperatures are forecasted to increase in the coming week.

Finance Activities

1. The District received its share of the 2010 Vamp water allocation revenues in the amount of \$499,389. Billed USBR for 26,000 a.f. for difference water and the New Melones' supplemental water @ \$60 per a.f. (\$1,560,000).
2. Working on the implementation of the Utility Billing module in Springbrook (the District's new enterprise software.) Will be working with Springbrook's trainer the week of June 1st.
3. Continue to review and work on reports and processes in Springbrook.
4. Prepared documentation for the pay-down of ID52's OVCB's loan and refunds to those landowners that paid up-front.
5. Prepared the Improvement District's 2009 Annual Financial Report submitted at today's meeting.
6. Prepared information and meet with the finance and personnel committees.

7. Routine accounting functions (AP, AR, PR, billings, account reconciliations, etc.)

B. COMMITTEE REPORTS

Water/Engineering Committee Meeting, Tuesday, May 18, 2010

- Wills Lateral Connection Alternative Summary (APNS: 002- 063-003/004/038 - Boatright)
- Town Pipeline Abandonments in the Cities of Oakdale and Riverbank
- Fringe Parcel Update

Director Webb stated that the Committee discussed the fringe parcels and made recommendations.

Personnel Committee Meeting, Wednesday, May 26, 2010

- Review Revisions to Payroll Clerk Job Description and Wage
- Discuss CalPERS Actuarial Calculations

Director Bairos stated that the Committee reviewed revisions to the Payroll Clerk's job descriptions and wages. Director Alpers stated that the Committee also discussed the CalPERS issue. He stated that the District needs to take an overall budget look at everything in the next few months.

Finance Committee Meeting, Wednesday, May 26, 2010

- Review Submittal of Statement of Obligations

Director Bairos stated that the Committee reviewed the current signing practice of all the checks at the first and third board meetings. The Committee decided that if there is a need for additional checks to be signed that either the President or Vice President would come to the District office and sign checks as necessary.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Webb

Director Webb stated that given the fact that the Dam Safety fees have increased he believes that the District should meet with the River Group and request that the state explain the fee structure, what we get for the fees that are charged, and explain why the fees have increased so much. Director Alpers stated that state law requires them to justify the increase in fees.

Director Alpers

Director Alpers had no comments.

Director Doornenbal

Director Doornenbal stated that he rode with the General Manager Steve Knell to the Tri-Dam Meeting and that he was given a tour of Willms' Ranch and the South Main.

Director Clark

Director Clark had no comments.

Director Bairos

Director Bairos had no comments.

At the hour of 10:15 a.m. the Board adjourned to Closed Session

CLOSED SESSION
ITEM NO. 20

- A. *Government Code §54956.8* - Conference with Real Property Negotiator**
Negotiating Parties: Stockton East Water District
Property: Water
Agency Negotiators: General Manager
Under Negotiations: Price, Terms, and Conditions
- B. *Government Code §54956.8* - Conference with Real Property Negotiator**
Negotiating Parties: SLDMWA,
Property: Water
Agency Negotiators: General Manager
Under Negotiations: Price, Terms, and Conditions
- C. *Government Code §54956.9* - Existing Litigation**
Eakin, et al. v. Oakdale Irrigation District

At the hour of 11:08 a.m. the Board adjourned to open session

President, Al Bairos, Jr. stated that coming out of Closed Session by a vote of 5-0 the Board approved the transfer of water to SEWD at the rate of \$50 an acre foot and no less. It was further reported that Director Bairos recused himself from Closed Session Item C and Vice President Frank B. Clark chaired the meeting for this item.

OTHER ACTION
ITEM NO. 15

At the hour of 11:09 a.m. the meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, June 15, 2010 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, June 17, 2010, 2010 at 9:00 a.m.** in the board room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, CA.

Al Bairos, Jr., President

Attest:

Steve Knell, P.E., Secretary