

MINUTES

Oakdale, California
July 6, 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 9:00 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
Jason Jones, Support Services Manager
John Davids, District Engineer
Gary Jernigan, Contract and Special Projects Manager

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions to the Agenda

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

At the hour of 9:02 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There being no Public Comment; Public Comment closed at 9:02 a.m. and the Board Meeting continued.

PUBLIC HEARING

ITEM NO. 2 PUBLIC HEARING TO HEAR COMMENTS ON THE TWO-MILE BAR TUNNEL PROJECT

President Al Bairos, Jr. asked if there was anyone present who would like to make a comment on the Two-Mile Bar Tunnel Project.

There being no one coming forward to comment on the Two-Mile Bar Tunnel Project, the public hearing closed at 9:03 a.m.

CONSENT ITEMS

ITEM NOS. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

ITEM NO. 3

**APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF JUNE 15, 2010
AND RESOLUTION NOS. 2010-32 AND 2010-33**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of June 15, 2010 and Resolution Nos. 2010-32 and 2010-33.

ITEM NO. 4

**APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS**

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

ITEM NO. 6

**APPROVE GENERAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS
(OVERHEAD TECHNOLOGIES, INC., PAPE MACHINERY,
MAXIM CRANE WORKS, L.P., D & L CONCRETE PUMPING, INC.,
SAFETY KLEEN, AND VALLEY AIR CONDITIONING – MAINTENANCE)**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the General Services Agreements for Various Vendors and Contractors (Overhead Technologies, Inc., Pape Machinery, Maxim Crane Works, L.P., D & L Concrete Pumping, Inc., Safety Kleen, and Valley Air Conditioning – Maintenance).

ITEM NO. 7
APPROVE WORK RELEASE NO. 010 TO
PROFESSIONAL SERVICES AGREEMENT 2009-PSA-015
WITH GIULIANI & KULL TO PERFORM GENERAL
ENGINEERING AND SURVEYING SERVICES

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Work Release No. 010 to Professional Services Agreement 2009-PSA-015 with Giuliani & Kull to perform general engineering and surveying services.

ITEM NO. 8
APPROVE WORK RELEASE NO. 011 TO
PROFESSIONAL SERVICES AGREEMENT 2009-PSA-015
WITH GIULIANI & KULL TO PREPARE TOPOGRAPHIC
MAPS OF THE CLARIBEL AND COMETA LATERALS

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve Work Release No. 011 to Professional Services Agreement 2009-PSA-015 with Giuliani & Kull to prepare topographic maps of the Claribel and Cometa Laterals.

ITEM NO. 9
APPROVE AMENDMENT NO. 01 TO GENERAL
SERVICES AGREEMENT 2009-GSA-045 WITH
CALIFORNIA SURVEYING / DRAFTING SUPPLY FOR REVISED RATES

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve Amendment No. 01 to General Services Agreement 2009-GSA-045 with California Surveying / Drafting Supply for revised rates.

ITEM NO. 10
APPROVE CALIFORNIA SPECIAL DISTRICTS
ASSOCIATION 2010 BOARD ELECTIONS BALLOT

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve California Special Districts Association 2010 Board Elections Ballot.

ITEM NO. 11
APPROVE ENCROACHMENT AGREEMENT ON THE
DRY CREEK LATERAL (APN: 015-001-020 MARTINS)

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve Encroachment Agreement on the Dry Creek Lateral (APN: 015-001-020 – Martins).

ITEM NO. 12
APPROVE QUITCLAIM OF MOULTON PIPELINE
EASEMENT (APNS: 006-084-006/010 – MAINES)

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Quitclaim of Moulton Pipeline Easement (APNS: 006-084-006/010 – Maines).

ACTION CALENDAR
ITEMS NOS. 13, 14, 15, 16

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION
TO RENEW LEASE WITH GGD OAKDALE,
LLC FOR SPACE AT LIVE OAK PLAZA

The Lease Term for the office space in the Live Oak Plaza is coming due in December. The Water Operations Department has occupied this space since January of 2008. Per Section 2 of Exhibit "A: to the Lease Agreement the District must give its option to renew the Lease for an additional two (2) years six (6) months prior to the expiration of the Lease term or before December 2010. All lease provisions will remain the same.

The Live Oak Plaza is perfectly situated next to the District's current property and provides numerous advantages to other off site locations. Suite 6 is a 1,500 sq-ft space that is sufficient size for the Water Operations Department.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to exercise the option to renew the Lease with GGD Oakdale, LLC for an additional two (2) years.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION
IN RESPONSE TO SAN JOAQUIN
FARMS BUREAU EDITORIAL OF JUNE 22ND

A recent editorial by Bruce Blodgett, Executive Director for the San Joaquin Farm Bureau appeared in their June 22nd monthly newsletter. It was directed at the San Joaquin River Group members but wrongly singled out Modesto ID as the culprit for the Cease and Desist Order (CDO) hearings being conducted by State Water Resources Control Board questioning the legal rights of some Delta farmers to divert water for irrigation.

I thought it appropriate OID respond to the editorial and have prepared a draft response for the Board's consideration. Mr. O'Laughlin will be present to suggest an Ad Hoc Committee appear at the San Joaquin County Flood Control and Water Conservation Advisory Commission to further voice our objections on the matter. Thirdly, your consideration on OID's continued support of the San Joaquin Farm Bureau, in light of their CEO's disdain for River Group Organizations, will also be discussed.

Phil Brumley, President of the San Joaquin Farm Bureau Federation was present at the hearing and discussed the editorial.

Tim O'Laughlin, Water Counsel, was present at the hearing and stated that Allen Short, General Manager for Modesto Irrigation District had forwarded a response on the editorial to the San Joaquin Farm Bureau. The Board stated that it would make a decision on how to proceed once they have had an opportunity to review Allen Short's response to the editorial.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON
FUNDING REQUEST OF CHILDREN'S GUARDIAN FUND

This request was addressed by the Planning and Public Relations Committee on June 30, 2010. Elsie Martin, founder of The Children's Guardian Fund discussed her request with the Committee. The Committee recommends that the District participate as a Bronze Angel donor in the sum of \$2,000 and place a half page ad in their program in the sum of \$50.00.

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to participate as a sponsor for The Children's Guardian Fund at the level of a Bronze Angel in the sum of \$2,000 and place a half page ad for \$50.00 in the program for The Children's Guardian Fund for a total of \$2,050.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION
TO APPROVE RESOLUTION ADOPTING
DONATION AND COMMUNITY INVESTMENT
POLICY AND COMMUNITY DONATION APPLICATION

This draft policy has been reviewed by the Planning and Public Relations Committee and was brought to the full Board on March 16, 2010 for discussion. At that time the unresolved item was the amount of funding authorization permitted by GM, Committee and Board. That issue was addressed by input at the June 15, 2010 Board meeting. The Board requested that this policy be brought back to the full Board on July 6, 2010 for adoption.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Resolution Adopting the Donation and Community Investment Policy and Community Donation Application.

DISCUSSION
ITEM NOS. 17, 18

ITEM NO. 17
DISCUSSION ON JUNE 25, 2010 TRI-DAM INFORMATION PACKAGE

At the June 8th special meeting of the Tri-Dam Project's Board, the Board was asked to approve a change order for the construction of a coffer dam as part of the Tulloch Project

(a contract to build a third generator at Tulloch Dam). Also at that time the Board was shown a status of incurred costs on the Project since its commencement in September 2009. The update showed the Project costs had escalated from the original engineer's estimate of \$18.24 million to a revised estimate of \$25.63 million, a \$7.39 million change in cost. A 40% increase.

Last weekend, staff and the Board received a package from Tri-Dam regarding the cost changes. Over the course of last week both the GM and Gary Jernigan have been evaluating the submitted material. As you know, Mr. Jernigan worked for Flur Corporation his whole career and his expertise was in straightening out problem projects. His insight into the good and bad of problem contracts and their administration should shed some light on the matter.

Mr. Jernigan and the GM were present and discussed their prepared staff report with the Board.

ITEM NO. 18
DISCUSSION ON FIVE-YEAR CAPITAL IMPROVEMENT
PROJECTS AND DIRECTION ON 2011 BUDGET PREPARATION

The 5-Year Capital Plan was presented to the Finance Committee. While this Plan was prepared without knowing the downside of the Tulloch Project, it is still a representation of where OID needs to go if it is to rebuild and modernize this District. How we go forward will be the discussion before the Board.

The General Manager discussed the Five-Year Capital Improvement Projects with the Board of Directors and the direction on the 2011 budget preparation he will proceed with.

ITEM NO. 19
COMMUNICATIONS

A. GENERAL MANAGERS REPORT

Safety Activities

1. 540 days without a lost-time injury accident.

Administration Activities

1. OID's and SSJID met with the Modesto Bee Editorial Board on the District's SavetheStan program.
2. The June 18th family night at the Modesto Nuts game was a great success. .
3. San Joaquin River Group Commissioner's meeting is still scheduled for July 29th.
4. SJR Basin Plan Flow objectives will be coming out in mid-July. Don't look for any good news.
5. VAMP discussions with BOR are scheduled for July 8th.
6. SEWD notified OID that it will not exercise any additional water transfers this year.
7. The Warren Act storage agreement to put water in New Melones should be out for review this week.

8. SEWD, SSJID and OID to meet with BOR and NMFS on July 23 regarding the Biological Opinion.
9. Mother Lode Fair and a fisheries booth put together by FishBio, SSJID and OID will be up July 9th-11th.
10. Gary Jernigan will have foot surgery July 20th and be out 4-6 weeks.
11. The drowning victim in the Joint Main surfaced July 4th downstream of Frankenheimer Road.
12. Legal Activities:
 - a. Knights Ferry-Judges written decision provided May 20th. OID's written decision on this matter was submitted to the court June 7th. Still waiting for a signed decision.
 - b. Lubbers-Court date set for spring of 2011. Recently responded to another interrogatory seeking information
 - c. Nothing to report on other matters

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 no feedback from legal counsel. No response due to counsel on vacation.
2. 2-Mile Bar Tunnel (CEQA & Engineering) – CH2MHILL completed the Mitigated Negative Declaration and it has been sent to the State Clearing House. CH2MHILL and OID are still waiting for USFWS comments on the Technical Memo sent to them in March. Discussions with the Hodgdon Enterprise landowners were initiated concerning the old canal use for an access road. Waiting on legal review of Reversal Clause in Deed of ownership. The District has responded to the Marie Atherton Trust series of questions and the responses are being reviewed by the Marie Atherton Trust beneficiaries. Presently, the answers are acceptable to the Marie Atherton Trust but, they too want to know how OID intends to address Reversal Clause of the Deed. The Marie Atherton Beneficiaries were informed about the legal review in process for the Hodgdon Enterprise property concerning the Reversal Clause. Before any further movement, the Marie Atherton Beneficiaries would like to know the OID's position on the Reversal Clause. Counsel advise the opinion is about complete will complete upon return from vacation.
3. North Side Regulating Reservoir – The Notice of Completion was filed on June 9, 2010. The final construction activity, the electrical supply from PG&E, was completed and the system was tested on June 25, 2010.
4. Cashman Dam Rehabilitation Project – TCB Industrial was given a final offer of \$110,000 which they rejected and counter offer of \$125,000 and go to mediation. OID informed TCB the offer of \$110,000 was the final offer and any amount of mediation would not improve the final offer. TCB's counsel stated they will proceed with litigation. OID Staff has re-evaluated the Change Orders on their merit as they were presented as a basis to start from for litigation. OID Staff has review these Change Orders and believes the amount owed TCB based on timeliness and merit of the submittal of timesheets, claims, etc to be \$88,595.47. OID's counsel is on vacation and will respond upon his return.
5. Contracts performed an audit of the reporting format on the Tri Dam Project Tulloch 3rd Unit Addition and presented to the OID GM.

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. 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. Assisting Engineering Department with Rubicon TCC and upcoming Capital Project reviews.
6. Met with Steve Fields to discuss fencing of the North Main Canal.

Engineering Activities

1. V.A. Rodden – DRAFT Baseline Biological Assessment Report to be completed by Diane Moore ASAP.
2. Ongoing project management with Provost and Prichard. Weekly meetings held every Thursday.
3. Joslin – DRAFT Baseline Biological Assessment Report has been submitted. Staff currently reviewing.
4. Furtado Deep Well Site Project – Waiting on drillers logs from DWR and on exclusion resolution from Chicago Title.
5. Honolulu Bar Mitigation Project – Project start dated pushed back to July 2011 due to Central Valley Flood Control and Protection Board issues with processing our application which was submitted in March. Very disappointing to say the least, but OID and FISHBIO did everything within our power to get the project done this year.
6. Continued Environmental assistance with Two Mile Bar Tunnel Project. CTS exclusionary fence design and copy of MND submitted to USFWS on 6/25/10. No response to date. Public hearing set for today. Final MND to be approved by Board on 7/20/10.
7. Willms Ranch – Legal Counsel preparing correspondence to Ms. Savery.
8. Patterson Deed – Discussed with Water Committee on 5/18/10 and subsequent correspondence set to adjoining landowner.
9. Fringe Parcel Analysis – Met with Water Committee on 5/18/10 and subsequent correspondence sent out. To date, invoices for out-of-district water have been paid. Next meeting set for 7/20/10.
10. Martin Dairy Encroachments – Encroachment Agreement to be approved today.
11. Knights Ferry – Design on hold. Continued negotiations with Ms. Boatright.
12. SCADA – Assisting Mr. Davis as necessary. Sierra Controls has made significant headway on integrating the 2009/2010 capital projects.
13. Boundary Flow Measurement – June flow data downloaded and being processed.
14. Honchariw – Legal Counsel Review.
15. Rubicon – TCC walk through scheduled for 7/13 → 7/15. Survey requirement meeting held 6/28/10 and G&K work release (not to exceed) to be approved today.
16. SBX7-7 – 1st meeting to be in July although no dates have been firmed up to date.

17. USEPA NPDES Permit for Pesticide Applications – ACWA to prepare and circulate comments for CALEPA.
18. Frymire Headgate – Continuing to work with Tri-Dam and Sierra Controls to put together a scope of work for moving control over to OID.
19. OID Engineering Department working on misc. designs for the 2010/2011 winter work season.
20. Processing numerous requests for information and CEQA - Early Consultation reviews.
21. North Side Regulating Reservoir – PG&E service connection complete and operational.
22. STANCO Ground Water Exportation Ordinance – Revised ordinance received and being reviewed by Staff.
23. North Side Regulating Reservoir tour with TID Engineering Managers on 6/29/10.

Water Operations Activities

Aq Water

1. Currently 10 day rotations.
2. As of 6/30-10 we have 400 cfs in the South Main and 275 cfs in the North Main.
3. Continuing Magnacide applications.
4. Sierra Controls completing SCADA set up of new facilities.
5. Conducting various landowner meetings.

Water Utilities

1. Marquis Deep Well Pump has been removed from service due to lack of production. The pump is scheduled to be removed and inspected to determine the cause of the failure.
2. Improvement District No. 51: Responded to several no water calls on Saturday, June 12th and Saturday, June 26th. Both call outs were the result of PG&E power outages in the area. The pumps were manually reset and placed back into operation. The system was without water for 1 to 1.5 hours during each event. PG&E has provided no explanation.
3. Water Utilities Personnel received the after hours call from the Oakdale Rural Fire Department regarding somebody falling into the Joint Main Canal on Monday, June 21st. WUD personnel assisted the General Manager in responding to the incident.
4. Furtado Well Site: WUD personnel are working the DWR on obtaining well drillers logs for the wells in the area of interest.

Finance Activities

1. Prepared "Do Not Release Water" list for Distribution System Operators.
2. There were 32 rural water delinquent payments in and one shut-off in June.
3. Routine accounting functions (AP,AR, PR, billings, account reconciliations, etc.)
4. The rural water billing is now on the new enterprise software program, Springbrook. Rural water customers will be receiving a new statement.

B. WATER COUNSEL'S REPORT ON STATUS OF WATER ISSUES

Tim O'Laughlin, Water Counsel, was present and discussed the following water issues with the Board of Directors:

1. OCAP

2. San Joaquin Planning Objectives
3. Bay Delta Conservation Plan
4. Water Transfers

C. **COMMITTEE REPORTS**

Finance Committee Meeting, June 30, 2010

- Discussion Regarding 5-Year Capital Improvement Projects
- Review of Tri-Dam Information Package Dated June 25, 2010

Planning and Public Relations Committee Meeting, June 30, 2010

- Funding Request of Oakdale Cowboy Museum
- Oakdale Chamber of Commerce Sponsor Opportunities
 - Concerts in the Park 2010
 - A Taste of Oakdale
- Funding Request of Children's Guardian Home - Oakdale

The Planning and Public Relations Committee reported that the Committee approved the following donations:

1. Oakdale Cowboy Museum \$1,000;
2. Concerts in the Park 2010 - \$1,000; and
3. A Taste of Oakdale - \$1,000.

D. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Webb

Director Webb had no comments.

Director Alpers

Director Alpers had no comments.

Director Doornenbal

Director Doornenbal commented on the history of Miller and Lux in the San Joaquin Valley.

Director Clark

Director Clark had no comments.

Director Bairos

Director Bairos commended Support Services Manager Jason Jones on the great job that he and his crew were doing on the Palmer Lateral.

At the hour of 11:31 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: OID, SSJID, SLDMWA, Stockton East Water District and Westside Interests
Property: Water
Agency Negotiators: General Manager
Under Negotiations: Price and Terms
- B. **Government Code §54956.9** - Existing Litigation
1. *Mangante v. OID*
 2. *Eakin, et al. v. Oakdale Irrigation District*
 3. *San Joaquin River Group v. Woods Irrigation Company*
(CDO Hearings – SWRCB)
- C. **Government Code §54956.9(b)** - Anticipated Litigation
Two (2) Cases

At the hour of 12:20 p.m. the Board adjourned to open session

Coming out of Closed Session President Al Bairos, Jr. reported the following:

The Board gave the General Manager and Water Counsel permission to look into all interests regarding water transfers.

Director Bairos reported that he recused himself from participating in any discussions concerning the *Mangante v. OID* and *Eakin v. Oakdale Irrigation District* matters. He reported that Director Clark ran the meeting for these agenda items.

President Bairos reported that the General Manager was instructed to advise General Counsel to prepare a settlement offer in the *Mangante v. OID* matter.

President Bairos reported that the Board directed staff to seek whatever remedies are available through its General Counsel on the Ohe and Willms matters.

OTHER ACTION
ITEM NO. 17

The Board Meeting adjourned at the hour of 12:21 p.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, July 20, 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, July 15, 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