

## **MINUTES**

Oakdale, California  
October 7, 2008

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 9:02 a.m. Upon roll call, there were present:

Directors: Jack D. Alpers, President  
Frank B. Clark  
Steve Webb  
Tony Taro (arrived at 9:05 a.m.)  
Absent: Al Bairos, Jr., Vice President  
Staff Present: Steve Knell, General Manager/Secretary  
Kevin King, Water Operations Manager  
Gary Jernigan, Contract/Special Projects Manager  
John Davids, District Engineer  
Jason Jones, Support Services Manager  
Kathy Cook, Chief Financial Officer

### **ADDITION OR DELETION OF AGENDA ITEMS**

General Manager Steve Knell requested that Consent Item No. 5 be deleted from the Agenda. A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to delete Consent Item No. 5.

### **ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE**

Director Alpers requested that Discussion No. 15 be discussed first on the Discussion Calendar. A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to discuss Item No. 15 first on the Discussion Calendar.

At the hour of 9:04 a.m. the Board welcomed public comment.

### **PUBLIC COMMENT ITEM NO. 2**

Gloria Wamhoff, who resides at 10520 Victory Avenue stated that her neighbor had over irrigated and flooded her property again. She stated that she called the after hours number and left a message, but never received a call back. Director Webb commented that there needs to be a better way to handle after hour calls.

There being no further Public Comment; Public Comment closed at 9:07 a.m. and the Board Meeting continued.

**CONSENT ITEMS**  
**ITEM NOS. 2, 3, 4, 6, 8, 9, 10, 11, 12**

**ITEM NO. 2**  
**APPROVE THE BOARD OF DIRECTORS'**  
**MINUTES OF THE REGULAR MEETING**  
**OF SEPTEMBER 16, 2008 AND RESOLUTION NO. 2008-41**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of September 16, 2008 and Resolution No. 2008-41.

**ITEM NO. 3**  
**APPROVE OAKDALE IRRIGATION**  
**DISTRICT STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 4**  
**APPROVE ASSIGNMENT OF**  
**CAPITAL WORK ORDER NUMBERS**

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

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
<b>Revised</b> Little Johns Creek Diversion Dam	Install new slide gates with automatic gate actuators, install new facing wall on the existing headworks and a new replegle flume downstream.	\$446,100 <i>(previously reported: \$468,800)</i>	0842
<b>Revised</b> Cape Horn Tunnel	Phase I & III consist of repairing air vents 5 & 6, the installation of rock bolts at the downstream portal and throughout 4,016 feet of the tunnel, application of shotcrete to the portal, tunnel walls and ceiling, and pouring a concrete floor. Construction of temporary access roads, installation of sedimentation control basins and check dam.	\$3,662,200 <i>(previously reported: \$4,753,600)</i>	0843
<b>New</b> South Main Canal	Install a new cast-in-place control structures, Rubicon flumegates, new MBI pre-cast turnouts w/ stilling wells, and new supply lines at the Riverbank and South lateral headgates.	\$1,188,100	0844
South & Dry	Rehabilitate structures located 2,300' upstream of where the Dry Creek crosses the Oakdale-Waterford Highway. The rehabilitation includes new control structures, 3-C10 canal gates, 2 stilling wells, 2- Rubicon flumegates, a precast weir, rip-rap, 540' shotcrete, and fencing.	\$291,500	0845
Fairbanks Lateral	Install new crossing at the SSJID Main Canal. Install 2-new 5' weirs, 2- new 6'x3' slide gates, dual 10'x14' box culverts, and 408'-new 60" RCP pipe.	\$966,500	0846

Fairbanks / Cometa Laterals	Install a new cast-in-place control structure w/ new turnout and stilling well, C-10 canal gates, and new supply lines. In addition, 2-new Rubicon flumegates and 970' canal reconstruction.	\$470,300	0847
Albers 1 & Albers 2 Laterals	Install a new cast-in-place control structure w/ new turnout and stilling well, C-10 canal gates, and new supply lines. In addition, 2-new Rubicon flumegates.	\$248,200	0848
Paulsell Lateral	Install a new MBI precast turnout structure, 18" C-10 canal gate, and stilling well.	\$13,000	0849

**ITEM NO. 6**  
**APPROVE OID IMPROVEMENT**  
**DISTRICT NO. 52 STATEMENT OF OBLIGATIONS**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve OID Improvement District No. 52 Statement of Obligations.

**ITEM NO. 7**  
**APPROVE PURCHASE OF ONE (1)**  
**HEAVY DUTY FOUR POST TRUCK/VEHICLE LIFT**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the purchase of one (1) heavy duty four post truck/vehicle lift.

**ITEM NO. 8**  
**APPROVE PURCHASE OF ONE (1)**  
**DS-70 WACKER FROM CAT RENTALS**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the purchase of one (1) DS-70 wacker from Cat Rentals.

**ITEM NO. 9**  
**APPROVE GENERAL SERVICES**  
**AGREEMENT FOR DYNO MASTER**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the General Services Agreement for Dyno Master.

**ITEM NO. 10**  
**APPROVE ENCROACHMENT AGREEMENT**  
**ON THE PAULSELL LATERAL**

**(APN: 011-005-049 – TIMBELL WARNERVILLE PARTNERS LLC)**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Encroachment Agreement on the Paulsell Lateral (APN: 011-005-049 – Timbell Warnerville Partners, LLC).

**ITEM NO. 11**  
**APPROVE RESOLUTION FOR THE FORMAL**  
**INCLUSION OF IMPROVEMENT DISTRICT NO. 52**  
**WATER DISTRIBUTION SYSTEM INTO OID'S**  
**RURAL WATER SYSTEM NO. 1**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Resolution for the Formal Inclusion of Improvement District No. 52 Water Distribution System into OID's Rural Water System No. 1.

**ITEM NO. 12**  
**APPROVE RESOLUTION FOR THE RETIREMENT**  
**OF THE IMPROVEMENT DISTRICT NO. 52 WATER SUPPLY PERMIT**

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Resolution for the Retirement of the Improvement District No. 52 Water Supply Permit.

**ACTION ITEM**  
**ITEM NO. 13**

**ITEM NO. 13**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**TO ADOPT RESOLUTION DECLARING THE**  
**OFFICIAL INTENT TO REIMBURSE EXPENDITURES**  
**FROM THE PROCEEDS OF TAX EXEMPT SECURITIES**

The resolution provides the opportunity, if the District were to issue tax-exempt bonds, to be reimbursed by bond proceeds for capital expenditures that occur not later than eighteen (18) months after the later of:

- the date on which the expenditure is paid, or
- the date on which the project is placed in service.

This resolution is in no way an obligation to issue tax-exempt bonds.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to adopt the Resolution Declaring the Official Intent to Reimburse Expenditures from the Proceeds of Tax Exempt Securities.

**DISCUSSION ITEMS**  
**ITEM NOS. 14, 15, 16, 17**

**ITEM NO. 15**  
**DISCUSSION ON CONDITIONS FOR USE**  
**OF THE VIGIL L. AND JOANNE S. THOMPSON**  
**LIVING TRUST'S ROAD FOR**  
**ACCESS TO THE CAPE HORN TUNNEL PROJECT**

Director Alpers has had discussions with the Thompsons and requested this draft copy of a *Conditions of Using Roads* be placed on the agenda.

Virgil and Joanne Thompson who reside at 112311 Horseshoe Road were present at the hearing. Mr. Thompson discussed their conditions for the use of the road for access to the Cape Horn Tunnel project. The Board agreed to refer this matter to the Water/Engineering Committee.

**ITEM NO. 14**  
**DISCUSSION ON DRAFT**  
**WATER SHORTAGE (DROUGHT) POLICY**

Staff has assembled a Draft Policy outlining the actions to be taken by OID if and when a water shortage was to occur. Being proactive in the development of a drought or water shortage policy benefits both the growers and the district. It provides certainty on the actions to be taken and allows both parties to plan and act accordingly.

The Water Committee reviewed and commented on this policy. Staff will go through the policy to brief the rest of the Board and to answer questions.

It was agreed by the Board of Directors that there would be a Board Workshop to allow the public an opportunity to comment on the Water Shortage (Drought) Policy.

**ITEM NO. 16**  
**DISCUSSION/PRESENTATION ON**  
**CONSULTANT'S CONTRACT STATUS**  
**QUARTERLY REPORT ON ENGINEERING SERVICES**

The District has issued Professional Services Agreements to Consultants for Engineering Services for general engineering services and engineering support for the WRP implementation. The Professional Services Agreements are issued on an "on-call" basis for "Get Ahead" engineering services and general engineering needs. The Board originally approved \$500,000 for this work in 2007 and 2008 and made separate authorizations for additional work as the year progressed. Attached is a list of engineering consultants with their Professional Services Agreement scope description and project status for each.

As a summary of each consultant's activities, the following is provided:

Giuliani & Kull – Provides general engineering services on smaller projects, surveying, construction inspections and geotechnical work.

Condor Earth Technologies – Provides engineering services for the South Main and North Main Tunnels, and the South Main Improvements between Goodwin Dam and Tunnel 7. They also perform engineering services on the Joint Main under the direction of SSJID.

Provost & Pritchard Engineering Group, Inc. – Provides general engineering services, surveying, construction management, WRP support services and GIS development

CH2MHILL – Provides engineering, planning services and project specific CEQA compliance for the WRP implementation. They are presently working on two major projects; the OID to Modesto Reservoir Conveyance System Feasibility Study and the WRP CEQA implementation and compliance.

Contracts/Special Projects Manager Gary Jernigan was present to give the quarterly report on engineering services and to answer any questions.

**ITEM NO. 17**  
**DISCUSSION ON THE STATUS OF BONDING FOR**  
**THE FUNDING FOR FUTURE CAPITAL PROJECTS**

A financing team has been organized for reviewing a potential tax-exempt bond issue. The team met for the first time on Thursday, October 2, 2008. Staff will provide an update regarding the current status of the tax-exempt market, possible financing structures, and a tentative schedule.

General Manager Steve Knell stated that the District is going forward with obtaining a bond rating. Once this has been completed this matter will be brought back to the Board to make a decision as to whether or not the District wants to proceed with the tax-exempt bond.

**COMMUNICATIONS**  
**ITEM NO. 18**

A. **GENERAL MANAGERS REPORT**

**Safety Activities**

1. 145 days without a lost time injury accident.
2. New Safety Committee members took the helm October 2<sup>nd</sup>. Safety Coordinator Derek Davis will work with the following new Committee members: Carol Arnold, Vince Vella, Danny Jones, John Ash, Leon Van Diepen, and Al Ramsey. We welcome them aboard!

**Administration Activities**

1. Legal or Pending Issues;
  - a. Goad – awaiting Goad's engineer's report - still
  - b. Knight's Ferry – Nothing to report
  - c. Chappell Drain- Nothing to report
  - d. Clark Pipeline- Nothing to report
  - e. Cahoon Property- Soil samples taken last week to test for contaminants.
  - f. Gregg Case- Nothing to report

2. VA Rodden Ranches came to Water Committee and made presentation on the development plans for their ranch.
3. Attended the SJ River Flow Workshop on September 17<sup>th</sup> put on by the State Board.
4. Met with staff on the implementation of the Equipment Operators Training Manual.
5. Met with Frank Soriano with Sutter Securities on September 19<sup>th</sup> regarding financial advisement on borrowing CIP money.
6. City of Modesto meeting on regional water treatment plant scheduled for this month. All potential participants will be attending.
7. P&P Meeting held on Northside Reservoir and on opening of local office.
8. Labor and Management meeting held September 25<sup>th</sup>. Employee survey recommendations topic of October meeting.
9. VAMP II Meeting held September 29<sup>th</sup> at MID.
10. Staff and legal are reviewing the Feasibility Study for the OID to Modesto Reservoir Conveyance System-Feasibility Study.
11. OID has been contacted by ACWA/JPIA to come before the Board to do a services update and answer questions. They propose this the first part of next year.

### **Contract and Special Project Activities**

1. Verbal discussions held with RTC on Board's decision to accept RTC offer plus warranty through the 2009 water season. Letter sent to RTC stating conditions and a follow up telephone conversation was conducted. RTC stated their accountant and bank is processing a loan to reimburse OID. Payment was promised September 26, 2008 but was not received. Bank is waiting on additional information from RTC.
2. The Notice of Award was issued for the Downstream Port of the Cape Horn Tunnel Rehabilitation Project on August 26, 2008 and the Notice to Proceed was issued on September 15, 2008. Mobilization commenced on September 22, 2008 with the Construction Kick-off meeting. Mobilization of equipment, construction of temporary road and setting up of field offices begin on September 25, 2008. For the Upstream Portal Construction, OID is waiting on the USFWS to render a decision on the path forward for the California Tiger Salamanders (CTS) study based on a site investigation. The work will be rescheduled for next year to complete all the remaining work.
3. Little John Creek Dam Project - Teichert Construction was issued the Notice to Proceed during the Construction Kick-off meeting held on September 22, 2008. During the meeting, all Submittals were submitted for review and approval. Mobilization will commence during the week of October 6, 2008.
4. The Notice of Award was issued to Sierra Mountain Construction for the Riverbank/South Main Rehabilitation project. Contract documents prepared and sent to Sierra Mountain for signature. Will start mobilization on October 6, 2008.
5. Bids were received on September 22, 2008 for the Fairbanks/Cometa Control Structure Rehabilitation Project. The low bidder is Teichert Construction with a bid in the amount of \$325,472.00. The Staff's recommendation was reviewed with the GM for approval. The bid summary is attached for the Board's review. A Notice of Award was sent to Teichert Construction on September 26, 2008 with the contract documents for signature. A Notice to proceed will be issued once the Bonds and Insurance Certificates have been received. Construction scheduled to start on October 13, 2008.
6. Bids were received on September 29, 2008 for the Fairbanks Lateral Crossing of the SSJID Main Canal Project. The low bidder is Preston Pipeline Company with a bid of \$726,366.00. The Staff's recommendation was reviewed with the GM for approval. The

bid summary is attached for the Board's review. A Notice of Award was issued on October 2, 2008 with a Notice to proceed to follow on October 8, 2008 once the Bonds and Insurance Certificates have been received. Mobilization scheduled for the October 10, 2008 with construction following on October 13, 2008.

7. CH2MHILL/OID completed discussions with DFG for the Cape Horn Tunnel. All issues with Vernal Pools for the Downstream Portal have been resolved. The Upstream Portal has a California Tiger Salamander issue and the USFWS is reviewing the path forward for mitigation. It appears a study will be required during the winter of 2008/2009. Consultation with the USFWS Directors is being held during the week of September 29, 2008.
8. Derek Davis with Tracer has completed the field audit for the RMP Compliance Audit and the report is being drafted now.
9. A Work Release was issued to Hazardous Management Services for a hazardous assessment of the Cahoon property on Sierra Road. The field sampling was completed and the results and report issued with no contaminants found.
10. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
11. Project coordination with Engineering Consultants

### **Construction & Maintenance Activities**

1. Routine C&M Summer Duties
2. Review of Job Set Up Forms
3. On-going review for potential dirt sites
4. On-going constructability review 2008/2009 Capital Projects
5. Various Landowner meetings
6. Performance Evaluation preparation
7. Preparation of upcoming 2008/2009 Winter Work Season
8. Written Test complete, interviews scheduled for the 3<sup>rd</sup> of October for (2) Temporary C&M Worker Position's.

### **Engineering Activities**

1. Ongoing Suspense Forms.
2. Board Agenda Report preparation.
3. Master Encroachment Agreement preparation. MID, PG&E, City of Oakdale and City of Riverbank draft complete. Draft documents have been sent to Legal Council for review. Still waiting for a response from Legal Council.
4. Stanislaus County Road Crossing Agreement. County comments have been received along with their road crossing design guidelines and GM's comments have been received. Final preparation and modifications ongoing.
5. OID Standard Detail Review.
6. Draft Structure Permit complete, John Davids to review
7. Modified Land Reclassification Checklist complete, waiting internal Staff Review.
8. Working with various Irrigation Design Companies on new turnout designs for construction this winter.
9. Assisting Mr. Jernigan in compliance with the CEQA phase of the Cape Horn Tunnel Project.
10. Preparing list of Capital Projects for design and construction during the 2009/2010 construction season and beyond.

11. Preparing early CEQA analysis for new projects.
12. Service Standard Review.
13. Performance Evaluation preparation.
14. Continued North Side Reservoir project management. To the Board in closed session on 10/7/08.
15. Conde's CEQA package is complete. Waiting for compliance with three (3) outstanding conditions of approval before the package will be taken to the Board for approval and subsequently sent to LAFCO for their review.
16. Working with Steve Knell and Mike Burden on a "Letter of Agreement" as it pertains to design, construction and payment for a new piped section of the South Lateral and a small recapture reservoir on the V.A. Rodden property.

### **Water Operations Activities**

- 1.

### **Finance and Accounting Activities**

1. Attended the 2008 California Special District's Association Annual Conference. Attendance at this conference earns incentive points towards a discount on the District's workers' compensation premium. One incentive point is equal to 1% discount on our premium. One incentive point was earned at this conference or appropriately a \$1,900 discount.
2. The first billing regarding the Lake Alpine Water Company's agreement resolving water rights protest was mailed on October 1<sup>st</sup>.
3. Prepared and executed contracts with Nossaman LLP for a bond counsel and Sutter Securities for a financial advisor for reviewing a potential tax-exempt bond issue.
4. The 2008-2009 SEWD per acre foot water rate is \$71.67.
5. Artistotelous claim forwarded to ACWA JPIA on September 19<sup>th</sup>.
6. The Domestic Water Committee, Bob Nielsen, and I met with five domestic water improvement districts to discuss past and future financial responsibilities.
7. Performance evaluation preparation.
8. Developing a collection process to address property foreclosures.
9. To date \$40,000 (8 lots @ \$5,000/lot) of the total due of \$330,000 (66 lots) has paid the OID buy-in fee related to the Hillsborough No. 2 subdivision.
10. Three ID52 properties are 60-days past due on their monthly installment payment, one of which is in foreclosure.
11. Sent out three 48-hour rural water shut-off notices in September. All three paid prior to shut-off.
12. Routine accounting functions (AP, AR, PR, billing, reconciliations, etc.)
13. September, October, and November each year are low receivable months. Therefore, as some of the District's investment with Highmark mature funds will be liquidated to met cash flow requirements.

### **B. COMMITTEE REPORTS**

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission, September 17, 2008

2. Planning and Public Relations Committee Meeting, September 23, 2008
3. Water/Engineering Committee Meeting, September 30, 2008

Director Webb commented on the Water/Engineering Committee Meeting. Director Webb stated that the Water Shortage (Drought) Policy had been discussed. The second item was concerning the V. A. Rodden annexation. V. A. Rodden is going to be building a regulating reservoir this winter and in the near future building some reclamation ponds. All of these projects will benefit the District. General Manager Steve Knell stated that the Committee agreed to prepare a letter of agreement on some short term needs that V. A. Rodden has and this will be brought to the Board on October 21, 2008 for consideration.

Director Taro reported on the San Joaquin County Flood Control and Water Conservation District, Advisory Water Commission held September 17, 2008 and stated that there is a lot of controversy over the Peripheral Canal.

Director Alpers stated that the Planning and Public Relations Committee Meeting met to discuss the 100-Year Celebration. The Committee Meeting was previously discussed under the General Manager's Report.

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Taro

Director Taro asked if the District could clean up the sand that has built up on the Fairbanks PL where it goes under Steinigul Road. Support Services Manager Jason Jones stated that he will go out and take a look at it. Director Taro also stated that in the event of a dry year, if it should happen, do we have any obligation to leave the groundwater at a certain level for the small ranchettes. Director Steve Webb replied no.

Director Clark

Director Clark had no comments.

Director Webb

Director Webb stated that the General Manager has started something that is really important and that is the monitoring of the Bureau of Reclamation's flows. We are trying to set-up a meeting with the Bureau.

Director Alpers

Director Alpers asked if the Geographic Information System (GIS) has been installed and can be used in conjunction with our construction projects. District Engineer John Davids responded, yes.

Director Taro left the meeting at 10:35 a.m.

At the hour of 10:35 a.m. a.m. the Board moved to Closed Session.

**CLOSED SESSION**  
**ITEM NO. 19**

- A. Government Code §54957.6 Conference with Labor Negotiator**  
**Agency Negotiator:** General Manager  
**Unrepresented Employees:** Exempt Management/Supervisory/Confidential Employees
- B. Government Code §54956.8 Conference with Real Property Negotiator**  
**Negotiating Parties:** OID and Pat Joslin  
**Property:** Land  
**Under Negotiations:** Price and terms of payment
- C. Government Code §54956.9 Existing Litigation**  
**(1) Karen Eakin v. Oakdale Irrigation District**  
**(2) Steve Fields v. Oakdale Irrigation District**  
**(3) Goad v. Oakdale Irrigation District**  
**(4) Gregg v. Oakdale Irrigation District**  
**(5) Moushilou v. Oakdale Irrigation District**

At the hour of 11:23 a.m. the Board returned to open session.

General Manager Steve Knell stated that there was no reportable action following Closed Session.

**OTHER ACTION**  
**ITEM NO. 20**

At the hour of 11:23 a.m. the meeting was adjourned to the next **Board of Director's Meeting on Tuesday, Tuesday, October 21, 2008, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, October 16, 2008 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

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Jack D. Alpers, President

Attest:

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Steve Knell, P.E., Secretary